

## Italy: FIEE SGR gets EU backing to close its second fund dedicated to energy efficiency



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- **FIEE's first fund dedicated to energy efficiency is fully invested ahead of schedule, prompting launch of follow-up fund, which raised €127.5 million at first close, above initial €100 million target**
- **The Fund, with a target size of €175 million, gets €39.9 million from the EIB, backed by the European Fund for Strategic Investments, main pillar of the EU's Investment Plan for Europe**
- **Investment team doubled and first investments being finalized in companies operating in the residential, energy community and HVACR segments**

Fondo Italiano per l'Efficienza Energetica SGR (FIEE SGR), the leading Italian fund and one of the largest European funds specialising in energy efficiency for energy transition, has launched its second fund – the Italian Energy Efficiency Fund II (FIEE II) – with a first close of €127.5 million, above the initial minimum of €100 million, and the objective of reaching the target of €175 million by the end of the year.

FIEE II has raised capital from the European Investment Bank (EIB) and prestigious Italian institutional investors and family offices, which

together manage assets worth approximately €2 trillion. In particular, the EIB – one of the world’s most prominent institutional investors in the green economy and energy transition, and already an anchor investor in the first fund (FIEE I) with €25 million – has increased its commitment to nearly €40 million, confirming its role as anchor investor for FIEE II too. The EIB’s investment is supported by the European Fund for Strategic Investments (EFSI). An important contributor to FIEE II acting as an anchor investor with a commitment of €30 million – doubling the investment made in FIEE I – is also Aviva, led by Alberto Vacca, Italy’s Chief Business & Investment Officer. With 320 years of history and over 33 million clients worldwide, Aviva is one of the world’s largest insurance companies, and has properly integrated ESG considerations into its investment decisions.

FIEE II starts with significant support not only from the EIB but also from other FIEE I’s investors, which have responded enthusiastically to the fundraising by subscribing over 90% of first close’s commitments. Through FIEE II, FIEE SGR will extend its range of action to the rest of the European Union, and will be able to invest not only in service companies but also in equipment manufacturers, with a particular focus on smart cities and energy communities, in addition to pursuing selected initiatives in the renewable energy sector.

FIEE SGR is managed by the CEOs Raffaele Mellone, former managing director of Merrill Lynch, and Andrea Marano, former executive of Enel Green Power, and by the chairman Fulvio Conti, former CEO of Enel and chairman of TIM. The promoters also include Lamse S.p.A. (holding company of Andrea Agnelli and his sister Anna) and Maurizio Cereda (former deputy general manager and director of Mediobanca). The board of directors of the SGR also includes Gianfilippo Mancini, a manager with extensive experience in the energy sector gained in Enel and more recently as CEO of Sorgenia, and Giorgio Catalozzi, an independent director with many years of experience in the energy efficiency sector. The promoters have made a financial commitment of €4 million in FIEE II, replicating the commitment made for FIEE I.

European Investment Bank Vice-President **Dario Scannapieco** commented: *“Italy has a lot to gain from investments in energy efficiency, as well as from the small-scale renewable energy projects that the fund will target. Furthermore, FIEE’s attention to projects in low carbon mobility, smart cities and digitalisation are a signal that this kind of investment is not only needed, but nowadays also makes economic sense.”*

**Raffaele Mellone** commented: *“The target market has grown and strengthened considerably over the last 4 years. This growth will be intensified by the European Green New Deal, whose effects will begin to materialise over the next 12 months. We have been in the industry for many years now and we have never seen such excitement and so many investment opportunities. Within a few weeks of the first close of FIEE II we will complete the first transactions in the residential, energy community and HVACR sectors, allocating the first portion of raised capital.”*

*“We are extremely pleased with the support from our investors and would like to thank them for their renewed confidence in our initiative. The positive*

results achieved by FIEE I show that energy transition is a long-term, sustainable and profitable trend for investors”, added **Andrea Marano**. “Our ambition is to continue to be a leading player in this constantly evolving and growing sector, and to this end we have doubled our investment team with professionals who bring 30 years of overall experience in investment and the energy sector in leading European institutions.”

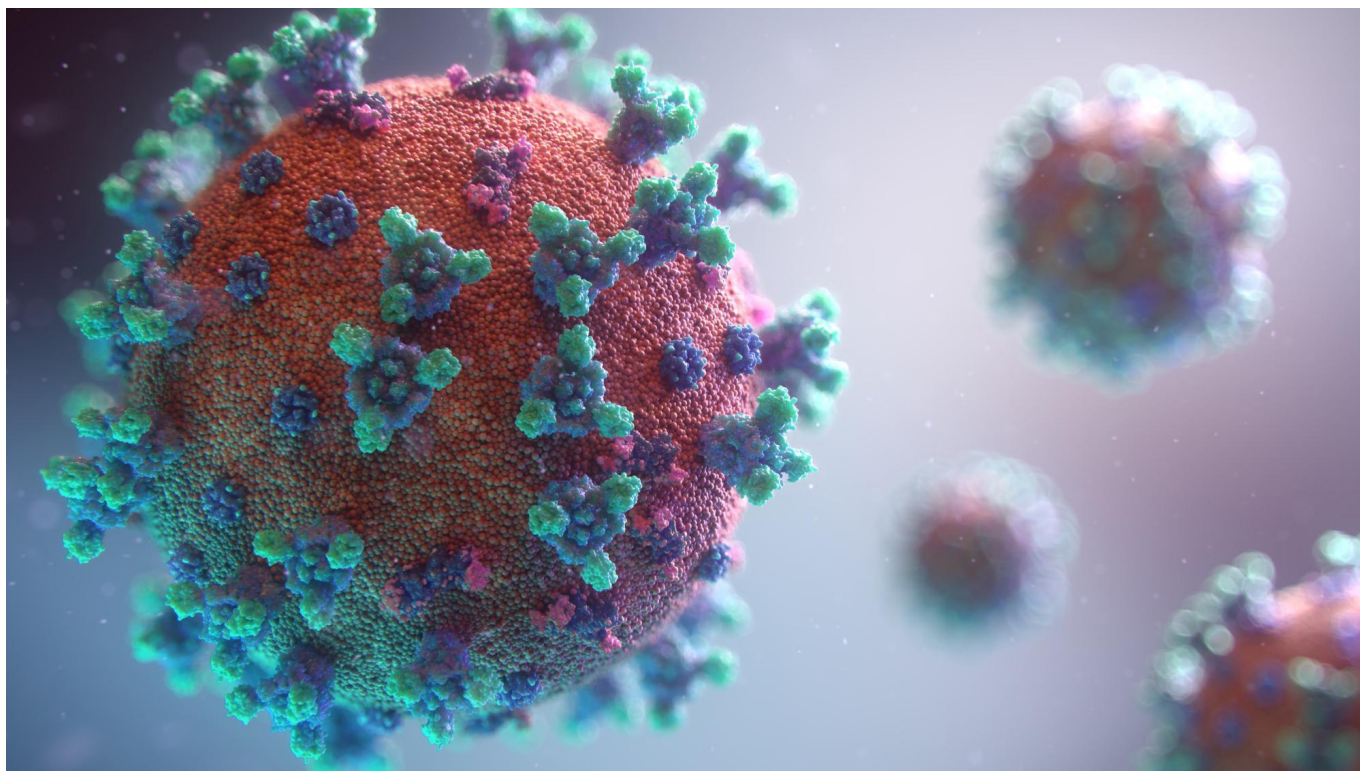
“FIEE SGR represents a successful experience gained through the profitability of its investments in a segment of the real economy characterised by the efficient and sustainable use of energy. We are very pleased with the path we have taken, accompanied by our investors who appreciate not only the positive financial returns but also their anti-cyclical nature and resilience to extreme exogenous events such as the recent Covid-19 pandemic. In the current highly complicated macroeconomic environment, energy transition plays an even more crucial role than it did before.” concluded **Fulvio Conti**.

FIEE SGR has been supported by Legance for legal matters and Cisternino Desiderio & Partners for tax matters.

**Fondo Italiano per l’Efficienza Energetica SGR (FIEE)** is the equity fund that in recent years has enabled the implementation of the largest energy efficiency investment programme in Europe, concentrated in Italy. FIEE II continues the positive experience of FIEE I, which in just a few years has invested in companies well positioned in the energy efficiency sector in Italy, becoming a market leader in the residential and public lighting segments. The investments are concentrated in highly strategic sectors for the revival of Italy’s economy and for the sustainable growth of its competitiveness. Like the previous fund, FIEE II will have a duration of 12 years, with a target return of 10-12%, to be achieved also through periodic cash distributions, and with lower risk than traditional private equity. For more information please visit our website [www.fieesgr.com](http://www.fieesgr.com)

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**[EIB and Afreximbank direct EUR 300m of support to African COVID response](#)**



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- **Accelerated EIB financing under Team Europe initiative**
- **Over 25% of funds dedicated to women in business and climate action**
- **Pan-African rapid response to alleviate COVID-19 impact and support climate action**
- **Scheme to support trade and ensure medical supplies continue**

The European Investment Bank (EIB), the lending arm of the European Union, and the African Export-Import Bank (Afreximbank), Africa's foremost multilateral trade finance institution, are directing EUR 300m of financing to support the resilience and recovery of African nations in response to the COVID-19 pandemic. The funds will ensure businesses across the continent have the working capital to sustain jobs and maintain vital imports. It also earmarks at least a quarter of the capital for climate change mitigation and adaptation, helping Africa maximize the opportunities of a green recovery.

The support package is the first accelerated COVID-19 response for the entire sub-Saharan region under the EIB's Team Europe initiative—a EUR 6.7bn package to help the most vulnerable and exposed countries respond to the immediate health crisis, mitigate social and economic impacts, and build resilience for the future.

The support for sub-Saharan Africa delivered with Afreximbank is structured in two parts. The package redeploys EUR 200m of funds previously allocated to trade-related investments, directing them specifically to sectors most impacted by the pandemic. Recognising the pressing need for support, Afreximbank and the EIB are also injecting a further EUR 100m to the package. This combination of existing and new funds, in addition to Afreximbank's position on the ground, means support can be activated immediately – a degree of agility that would not have been possible under a new agreement. Furthermore, Afreximbank's deep knowledge and broad presence across African

markets will ensure capital reaches businesses and communities in all areas of the continent.

The COVID-19 pandemic is inflicting an unprecedented negative impact on African economies, just as it has on nations around the globe. Manufacturing has been impacted by disruptions in global supply chains. Meanwhile, migrant remittances to some of the poorest economies in the world have dwindled, exposing the most vulnerable in those markets to exacerbated difficulties. As a result, many African economies are suffering serious vulnerabilities including liquidity pressure, trade payment defaults risk and fiscal challenges, alongside cuts to FDI, long term financing and portfolio flows.

A portion of the Afreximbank and EIB support package will be targeted at enabling cross-border trade in medical supplies and equipment essential for slowing the spread of COVID-19. In addition, the support package will provide financing to long-term investments in trade expansion, helping both the availability of goods and growth in economic prosperity. The package will support participating Member States of Afreximbank, 46 of which a part of the Contonou Agreement in Sub-Saharan Africa.

Two key focus areas in Africa are on women in business and the Green Revolution. As a result, a portion of the package will target businesses owned or managed by women. In addition, at least 25% of the funds allocated under the partnership will be earmarked for green projects, such as renewable power, energy efficiency and climate change adaptation measures. Afreximbank is currently appraising renewable energy projects in excess of circa EUR 100 million for which the EBI facility will support. In addition, part of the funds will support the re-purposing of factories to manufacture PPE and other COVID-19 materials, through the African Medical Supplies Platform, a digital platform promoted by Africa CDC, Afreximbank, UNECA and Au Envoy, Mr. Strive Masiyiwa.

**Prof. Benedict Oramah, President of Afreximbank, said:** *“As continental neighbours, Europe and Africa must stand together against the global pandemic. The funding announced today is welcome not only because it answers an urgent need, but because it is deployed with urgency.*

*With the joint experience of Afreximbank and the EIB, the support will rapidly reach those most affected and be carefully designed to have the greatest effect on the post-pandemic recovery. What’s more, the package’s support for green projects will help propel Africa towards the sustainable economy of the future and all the opportunities that entails.*

*I am confident that our work together will not only have a positive impact on African nations but will help us on the path to a closer relationship, based on shared prosperity, values and a commitment to a sustainable future.”*

**Ambroise Fayolle, European Investment Bank Vice President, said:** *“Once again the European Investment Bank is strengthening our close cooperation with Afreximbank to unlock high-impact investment by companies across Africa. A total amount of EUR 300m has been made available as a direct result of the EIB’s fast-track support and global response as part of Team Europe.*

*Reflecting the scale of the global impact of COVID-19, the EIB Board has agreed to scale up financing with existing partners to rapidly deliver an immediate response. Together with Afreximbank this new financing will both unlock medical investment and ensure that climate action investment to cut energy use and emissions is not delayed."*

Under a 2018 agreement, the EIB and Afreximbank have already deployed some of the previously allocated EUR 200m to projects now supporting the resilience of African nations during the pandemic. These have included programmes to expand intra-African trade and export manufacturing in sectors with high employment rates. The two organisations will continue to focus on this proven approach to provide both short-term relief and long-term resilience.

The **African Export-Import Bank (Afreximbank)** is a Pan-African multilateral financial institution with the mandate of financing and promoting intra- and extra-African trade. Afreximbank was established in October 1993 and owned by African governments, the African Development Bank and other African multilateral financial institutions as well as African and non-African public and private investors. The Bank was established under two constitutive documents, an Agreement signed by member states, which confers on the Bank the status of an international organization, and a Charter signed by all Shareholders, which governs its corporate structure and operations. Afreximbank deploys innovative structures to deliver financing solutions that are supporting the transformation of the structure of Africa's trade, accelerating industrialization and intra-regional trade, thereby sustaining economic expansion in Africa. At the end of 2019, the Bank's total assets and guarantees stood at USD\$15.5 billion and its shareholders funds amounted to US\$2.8 billion. Voted "African Bank of the Year" in 2019, the Bank disbursed more than US\$31 billion between 2016 and 2019. Afreximbank has ratings assigned by GCR (international scale) (A-), Moody's (Baa1) and Fitch (BBB-). The Bank is headquartered in Cairo, Egypt.

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## [EIOPA publishes monthly technical information for Solvency II Relevant Risk Free Interest Rate Term Structures – end-July 2020](#)

### **Background**

Technical information relating to risk-free interest rate (RFR) term structures is used for the calculation of the technical provisions for (re)insurance obligations.

In line with the Solvency II Directive, EIOPA publishes technical information relating to RFR term structures on a monthly basis via a dedicated section on EIOPA's Website also containing the release calendar for 2020, the RFR Technical Documentation, the RFR coding and Frequently Asked Questions. With this publication, EIOPA ensures consistent calculation of technical provisions across Europe.

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## **Monthly update of the symmetric adjustment of the equity capital charge for Solvency II – end-July 2020**

### **Legal Background**

The symmetric adjustment is regulated mainly in Article 106 of Directive 2009/138/EC (Solvency II Directive); Article 172 of the of the Delegated Regulation of Solvency II as well as in EIOPA's Final report on ITS on the equity index for the symmetric adjustment of the equity capital charge: [Read more](#)

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## **Netherlands: EIB supports Vitens in future-proofing its high-quality water network**



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- **EIB lends EUR 150 million to Dutch water utility Vitens to future-proof the drinking water distribution network and increase water reserves over the next 10 years.**
- **Investments are part of Vitens' strategy to adapt to accommodate demographic and economic growth and the adverse impacts of climate change.**

The European Investment Bank (EIB) and Dutch water utility Vitens have signed a EUR 150 million loan agreement. The financing will be used to carry out parts of Vitens' 2020-2024 investment programme, covering the renewal and upgrading of water treatment plants, reservoirs and pumping stations, as well as distribution networks and water meters. Increasing the water reserves would act as a buffer to extreme weather events.

*"This kind of investment shows the added value that European Institutions can bring to The Netherlands." says the head of the EIB's Amsterdam office, **Els Sweeney-Bindels**. "Hardly anyone is aware of the major investments that are needed for the upkeep of such high-quality water distribution networks as we know them in The Netherlands. The EIB is glad it can provide the financing for this and continue the longstanding partnership with Vitens."*

*"Vitens is a sustainable drinking water utility that is socially anchored, with a positive impact on people and nature. Increasing investments are necessary to ensure 24/7 drinking water." says Marike Bonhof, the CFO of Vitens N.V. "Not only in the short run but also for future generations. We are happy with the long-term relationship with the EIB. Our purposes have a lot in common".*



Vitens' investments will ensure continued compliance with EU water directives, and are aimed at ensuring the sustainability of reliable and affordable drinking water supply in its service area.

**Vitens** is The Netherlands' [largest water utility](#). Having a statutory monopoly on the provision of drinking water in its service area (which covers 92 municipalities in five provinces (Friesland, Overijssel, Gelderland, Flevoland and Utrecht) it currently serves a population of about 5.8 million, equal to nearly one third of the Dutch population. Vitens is wholly owned by the provinces and municipalities that constitute its service area. This is the fourth operation between EIB and Vitens in The Netherlands, next to a water project in Malawi, which the EIB supported together with a joint venture between Vitens and Evides, another Dutch water company.