

ACTIVITIES OF VIPA FINANCIAL INSTRUMENTS AND FUTURE PERSPECTIVES

2018 05 08





VIPA - NATIONAL PROMOTIONAL INSTITUTION

- VIPA was established in 2012
- 100% owned by The Ministry of Finance



MISSION

Induce the development of public infrastructure by improving the conditions and developing financial instruments



VISION

Act as a leader NPI in the public infrastructure financing

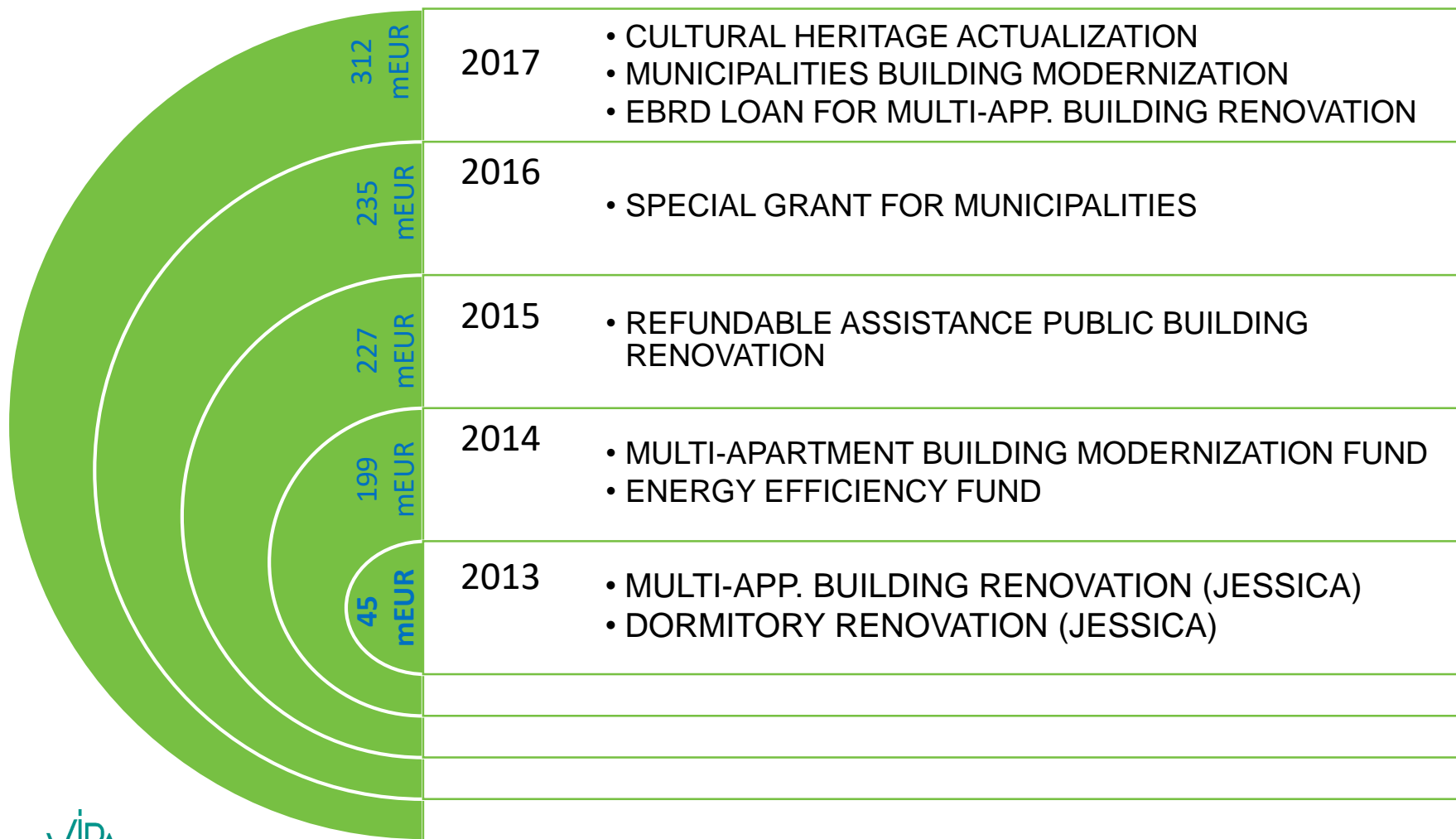


STRATEGIC OBJECTIVES

- To increase **availability of financing** for public infrastructure projects
- **Enhance the efficiency** of the Company
- Become the **most reliable manager** of the financial instruments



VIPA FINANCIAL INSTRUMENTS





NATIONAL PROMOTIONAL FINANCIAL INSTITUTION (NSFI)

VIPA as National Promotional Institution (NPI) will catalyze long-term financing and address market failures in various sectors

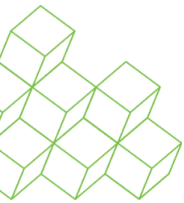
- Law on NPI is under development. It is planned to be adopted in the **Spring 2018**;
- Funding only sectors demonstrating market failures and contribute to the implementation of public strategic objectives:
- Two sectoral assessments initiated:
 - local infrastructure
 - energy in industry & renewables
- VIPA's share **capital** should be continuously increased.
- VIPA has an **active role** as a member of ELTI association and **cooperates with other NPIs**
- VIPA is looking for further technical assistance to continue develop VIPA's capacity



FINANCING GAP UNTIL 2023

Sector	Financing gap (mEUR)	Commercial potential (mEUR)
Renewable energy	355	250
Energy infrastructure	175	100
Energy efficiency	1.055	320
National transport infrastructure	2.009	580
Ecologic transport	93	90
Healthcare	390	50
Cultural heritage and culture infrastructure	306	300
ICT infrastructure	50	50
Social infrastructure	203	200
Education and science infrastructure	43	40
Wastewater and water management infrastructure	3.232	300
Total:	7.911	2.280

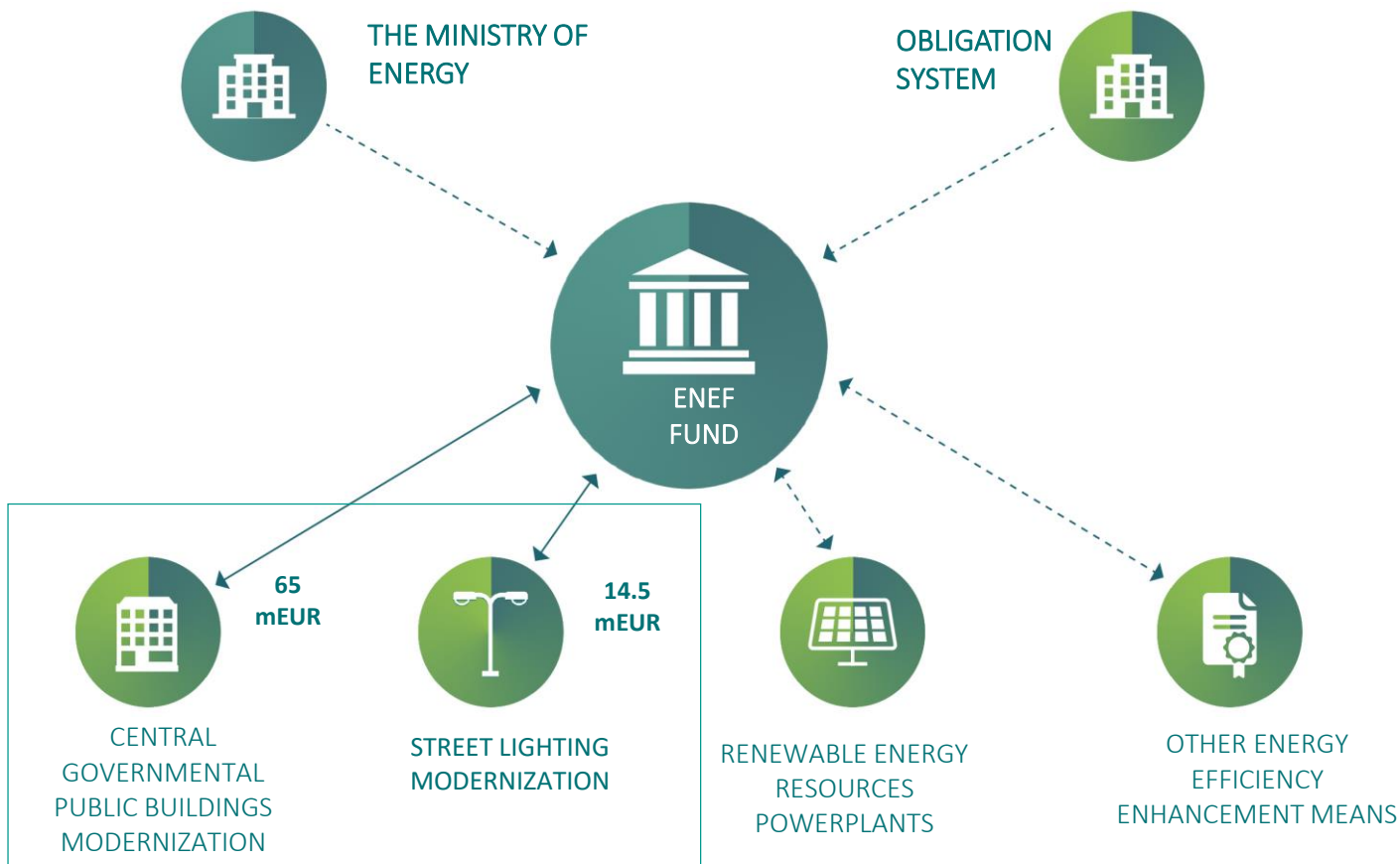
* Source: EE and public infrastructure assessment data



Funds/FI's under management



ENERGY EFFICIENCY FUND (ENEF)



500 mEUR 100 mEUR



MULTI-APARTMENT BUILDING MODERNIZATION FUND

- **Funding gap - 1 billion EUR until 2023 (demand more than 1.3 billion EUR),**
- **Total demand over 10 billion EUR**



MULTI-APARTMENT BUILDING MODERNIZATION FUND established in March, 2015. Allocated funds:

- **30 mEUR**
- **additional 44 mEUR (total – 74 mEUR)**
- **+ 50 mEUR loan from EBRD signed in May 2017**
- **+ 68 mEUR loan from Green bonds issued by Ministry of Finance in May 2018**

+ New project pipeline announced on 1st of February in amount of approximately 250 mEUR



PROGRAMME FOR ENHANCEMENT OF EE IN QUARTALS



Municipal building

Kinder garden

Multi-apartment
building

- On 1st of June 2015, the Government of the RL approved the procedure for the development and the implementation of programmes for enhancement of energy efficiency in quarters
VIPA appointed as the financing coordinator of the programme
- On 15th of June 2016, VIPA evaluated the three proposals regarding the modernization of pilot quarters, and drew up the plans for funding the enhancement of energy efficiency of the quarters concerned

- Value of the programmes – EUR 41 m
- Programmes will be implemented until 2022
- 61 percent of the expenses are allocated for the renovation of multi-apartment houses
- Other expenses:
 - Street lighting
 - Public buildings of municipalities
 - Recreational and green areas

VIPA

VIEŠŪJŲ INVESTICIJŲ
PLĒTROS AGENTŪRA





NEW FINANCIAL INSTRUMENT FOR CULTURAL HERITAGE



CULTURAL HERITAGE ACTUALIZATION

5,2 mln. EUR

To be implemented via financial intermediaries. Documents under amendment

MAIN IDEA

TO SUPPORT CULTURAL HERITAGE OWNERS TO RENOVATE AND OPEN FOR THE SOCIETY ABANDONED OR SHABBY CULTURAL HERITAGE OBJECTS



Restaurants



Conference rooms



Museums



Crafts



Hotels



Rural tourism



ENERGY EFFICIENCY IN MUNICIPALITIES



MUNICIPALITIES' BUILDINGS FUND

17.5 mln. EUR

To be implemented via financial intermediaries. Procurement deadline – 14th of February

MAIN IDEA

TO SUPPORT MUNICIPALITIES TO IMPLEMENT ENERGY EFFICIENCY PROJECTS IN THEIR BUILDINGS



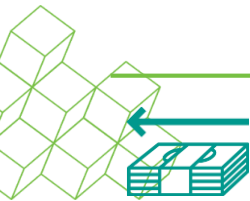
FUNDS TO BE ALLOCATED TO THE PROJECTS

FUND RESOURCES
(ESIF)
17 mEUR



FINANCIAL
INTERMEDIARY
30 mEUR

TOTAL FOR PROJECTS:
NOT LESS THAN 35 mEUR, UP TO 47 mEUR



OTHER FORMS OF STRUCTURAL ASSISTANCE IMPLEMENTED BY VIPA

REPAYABLE ASSISTANCE

Applied for the renovation of buildings, owned by the State, and where funding cannot be implemented through ESCO model.

- The amount of the subsidy to be refunded will depend on the amount of energy saved.
- Reimbursement term – up to 20 years.

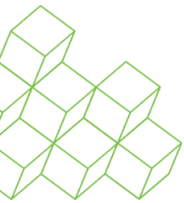
Resolution No. 528 of 4 June 2014 of the Government of the EU, appointed VIPA to act as the **IMPLEMENTING INSTITUTION**

MUNICIPALITY GRANT

Possibility for municipalities to secure the share of own contribution when implementing the projects jointly funded from the EU structural fund, when subject to the statutory restriction to borrow, or there is a **shortage of funds**.

- The amount to be repaid will depend on the criteria achieved
- Reimbursement term – up to 5 years

Resolution No. 528 of 4 June 2014 of the Government of the EU, appointed VIPA to act as the **MANAGING INSTITUTION**



OTHER INITIATIVES UNDER IMPLEMENTATION



MODERNIZATION OF THE WATER DELIVERY AND TREATMENT INFRASTRUCTURE



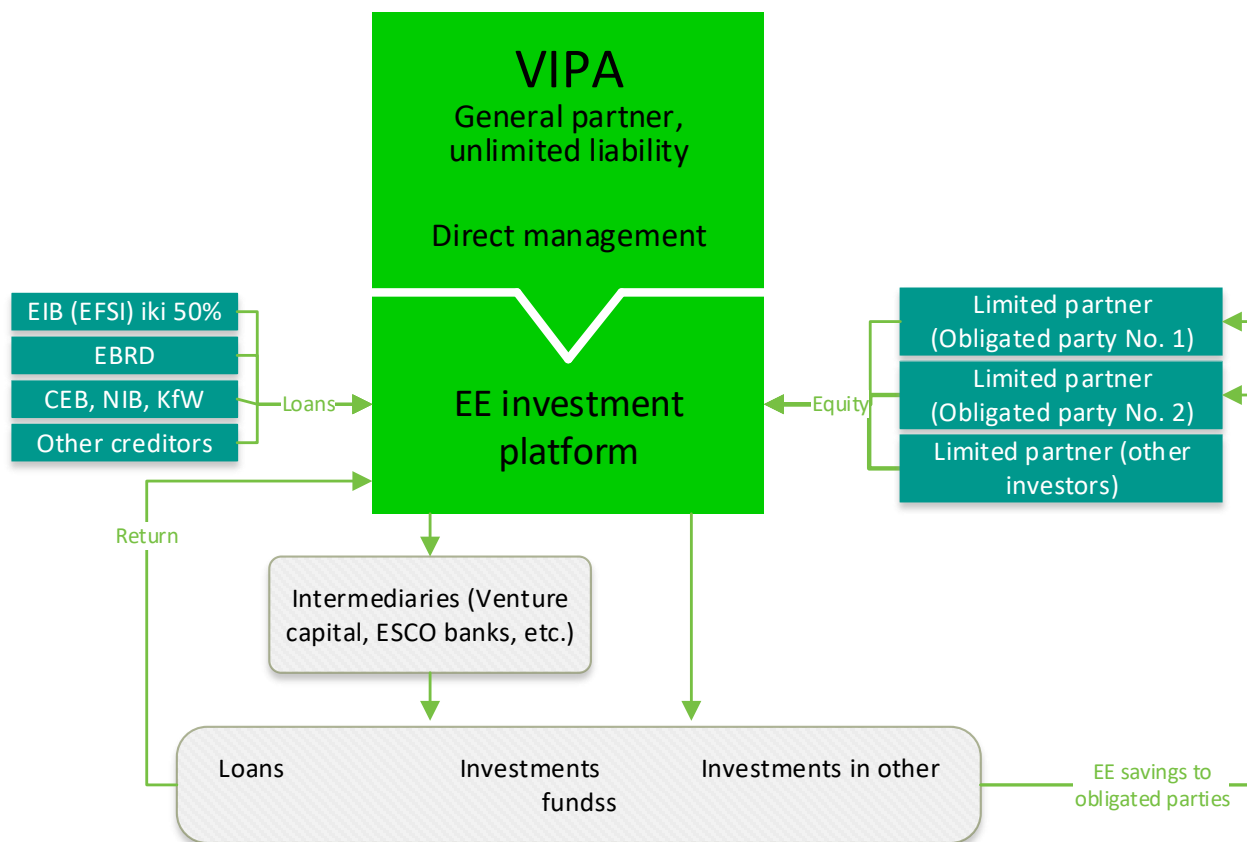
70 mln. EUR

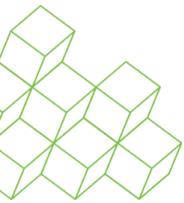
Financial instrument for modernization of the water delivery and treatment infrastructure to be established in 2018

- ex-ante assessment developed in 2016 suggested **loan** instrument to be established with possible change to **guaranty** instrument when track record is available
- it is envisaged to **consolidate** large number of small water delivery and treatment **companies in to bigger** and financially viable companies
- ex-ante assessment to be amended in near future with the vision on **equity or mezzanine** instruments to be established
- **EBRD support, experience and assistance** would be of great help and allow to develop new instruments faster and higher quality.



INVESTMENT PLATFORM FOR EE PROJECTS

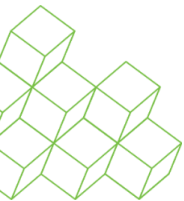




EE INVESTMENT PLATFORM INDICATIONS

Preliminary indications

- Establishment documents prepared and circulated to the IFIs
- Legal entity with **VIPA's unlimited liability**;
- To be established in **I quarter 2018**;
- The target is to achieve **leverage effect of 1:5**
 - In 2018, the purpose is to finance approx. 25 mEUR
 - In total until 2020, the purpose is to finance 100 mEUR of projects



THANK YOU FOR ATENTTION!

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