



## Limburgs Energie Fonds receives a second investment from the EIB with an extra €54 million for sustainability in Limburg

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- Limburgs Energie Fonds is receiving a second investment of €54 million from the EIB, increasing the size of the fund up to a total of €169 million.
- The EIB investment is backed by the European Fund for Strategic Investments (EFSI), the main pillar of the Investment Plan for Europe.
- The financing will enable Limburgs Energie Fonds to support even more sustainability projects with companies in Limburg.

In 2017, Limburgs Energie Fonds (LEF) was the first Dutch energy fund to receive an investment from the European Investment Bank (EIB). The EIB has now invested an additional €54 million in the LEF, enabling the fund to provide the financial stimulus for even more projects in energy saving, sustainable energy generation, the circular economy and asbestos removal. The EIB's investment will be guaranteed by the European Fund for Strategic Investments (EFSI), the main pillar of the [Investment Plan for Europe](#). The new investment increases the total size of the fund, which was founded with €18 million in 2013, to €169 million, with further growth of up to €270 million expected in the next few years.

Executive Vice-President for the European Green Deal Frans **Timmermans** says: *"This is good news for the green transition in Limburg and the Netherlands. With this additional funding, the Limburgs Energie Fonds will be able to generate more renewable energy, support energy efficiency projects and accelerate the circular economy. LEF is making smart use of European investments and I encourage other provinces and regions to follow this example."*

Deputy Maarten van Gaans-Gijbels (Portfolio Holder for Energy, Climate and the LEF) says: *"As a provincial authority, we have a strong focus on everything needed for the energy transition, on developing sustainability and on circularity. These are major challenges for the many different projects in Limburg, for which the LEF can offer significant support. I see the injection of funds from the EIB as a show of support for the Limburg approach and as an incentive to develop new plans and projects."*

LEF Director Philip Tan says he is proud and delighted by the EIB's second investment. *"Thanks to this expansion of the fund, we will be able to carry out even more sustainable projects in the Province of Limburg. We are really pleased about that. I see this second investment from the EIB as confirmation that our approach works and as an extra incentive to continue on the same path. That's important, because the challenge of keeping global warming within 1.5 degrees is urgent, and at the same time we still have a long way to go."*

EIB Vice-President Kris Peeters adds: *"The Limburgs Energie Fonds has been a real front runner in promoting sustainability and the circular economy in local businesses. In light of climate change, the EIB's renewed support for the LEF will ensure that entrepreneurs in Limburg can rely on a trusted specialist partner as they invest in the transition to a more sustainable future. This is not only better for the environment, but also has a positive effect on employment and economic growth."*

### Limburgs Energie Fonds: a success

According to the Province of Limburg, the fund is producing good results. To date, it has invested in around 60 projects. With investments from its own funds of around €155 million, the LEF is proud that it has made investments totalling around €335 million in the province's economy. The projects invested in to date save around 4.8 million tonnes of CO<sub>2</sub> — equal to the direct annual emissions of around 750 000 households.

Deputy Ad Roest (Portfolio Holder for Finance) says: *"We are proud that we have been able to win the EIB's support a second time. Since its foundation, the LEF has proved to be a cost-effective instrument and it is developing into a successful revolving fund. With this investment by the EIB, we are taking an important step towards achieving the expansion of the LEF that was agreed last year."*

*This money will enable us to continue investing successfully in sustainability both now and in the future."*

## **The LEF closes the financing gap**

The LEF closes the financing gap: it finances projects for which banks and investors currently provide little or no funding, because they are too risky or have too little track record. This demands a sound knowledge of sustainable energy and the circular economy, in addition to an understanding of finance. The LEF can make its investments in any form, including equity, profit-sharing instruments and subordinated loans as well as ordinary senior debt. This means that the fund can always choose the investment type best suited to the project.

LEF Director Jan-Willem König says: *"Alongside energy-saving and sustainable energy generation projects, the LEF has also financed a lot of projects in relation to the circular economy in the last few years. Together with energy-saving and sustainable energy generation projects, the fund is thus supporting and accelerating an excellent mix of CO<sub>2</sub>-saving innovations."*

The LEF is a financing fund. This means that the money it lends is ultimately repaid to the fund, together with a limited return, so that it can then be reinvested. This creates a virtuous circle, allowing more sustainable projects to be financed. The return demanded by the LEF depends on the specific case and on the form of the investment. LEF can provide finance up to a maximum of €12.5 million per project.

## **Background information:**

The **European Investment Bank** (EIB) is the European Union's long-term lending institution owned by the EU Member States — the Netherlands owns a 5.2% stake. It provides long-term loans for sound investments that contribute to EU policy objectives. Last year, the EIB provided nearly €2.1 billion in finance for [projects in the Netherlands](#).

The **Limburgs Energie Fonds** (LEF) was set up by the Province of Limburg and is managed by Polestar Capital. The LEF is an impact fund and is classed as a dark green fund (Article 9 fund) under the Sustainable Finance Disclosure Regulation (SFDR). It helps bring about promising projects in Limburg in relation to the circular economy, energy saving, sustainable energy renovation and asbestos removal. The LEF provides projects with part of their finance in the form of venture capital or a subordinated or ordinary loan. The LEF is a financing fund and does not provide subsidies: this enables a larger number of sustainable projects to be carried out. This fund was made possible by the Province of Limburg, the European Investment Bank and the European Fund for Strategic Investments (EFSI).

[Polestar Capital](#) is a fund manager and financier. What makes us stand out is that we go further than other investors. We finance high-impact projects for which banks and investors currently provide little or no funding. These projects offer an additional, effective and scalable solution for achieving social impact. We act at an earlier stage than other financiers, helping projects get done and accelerating the transition to sustainable energy and a circular economy. Via Polestar Bemiddeling, we also manage the operation of the Dutch Thermal Fund (Nationaal Warmtefonds).

The **European Fund for Strategic Investments** (EFSI) is the main pillar of the Investment Plan for Europe. It provides first loss guarantees so that the EIB Group can invest in projects with a higher level of risk. To date, the projects and agreements approved for financing under EFSI have attracted investments totalling €546.5 billion, benefiting more than 1.4 million small and medium-sized businesses.

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