

Conclusions

Framework Operation #30 for Sustainability Guarantee Product (Multi-country)

INVEU-ICR-0073-2023 – SME and Sustainable Infrastructure W/indows (SMEW-SIW)

Short description of the financing or investment operation and its objectives

Type of the financial intermediaries	Commercial banks, alternative lenders, leasing companies and NPBIs
Type of final recipients	Natural persons, SMEs, Small Midcaps and housing associations
Country(-ies) of implementation	Under this Framework Operation, Sub-Projects are expected to materialise in several Member States (and potentially OCTs), as well as Other Participating Countries
Implementing partner	EIF

Sub-Projects under this Framework Operation aim to support financial intermediaries that should enhance access to finance for sustainable enterprises and support investments contributing to the green transition to a more environmentally sustainable and climate resilient economy. Sub-Projects will target Green Investments, to focus especially on Climate change mitigation.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 9 November 2023 for the above-mentioned operation.

The Framework Operation will address market failures related to the funding gap for energy efficiency investments in the EU and the lack of access to financing SMEs related to it. Sub-Projects will help providing risk coverage for green lending, therefore incentivising financial intermediaries to provide debt financing in this area and thus allow final recipients, that will be individuals and housing association, to have sustainable market practices. Thus, the Framework Operation is expected to contribute to the climate policy, including the reduction of greenhouse gas emissions progressively to become carbon-neutral by 2050.

The Framework Operation will also address the issue of limited availability financing for SMEs with higher risk profile. EIF will support financial intermediaries in originating final recipient

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debt transactions, with the aim to improve the capital structure and solvency position of targeted final recipients. The EU Guarantee will allow EIF to develop its Sustainability Guarantee Product to support a growing ecosystem at a scale that would not be possible or not to the same extent.

Benefiting from the InvestEU guarantee coverage, the Framework Operation will also play a key-role in catalysing green lending by financial intermediaries to SME and individuals, as well as promoting the adoption of green definitions and standards adapted to their specific needs, thus contributing to the decarbonisation of the economy.