



Investment Committee of the InvestEU Fund

Meeting no 36 of 16 December 2024

Online

FRAMEWORK OPERATION #48 FOR THE SUSTAINABILITY GUARANTEE PRODUCT – SPAIN InvestEU MEMBER STATE COMPARTMENT (Capped and/or Uncapped Guarantee)

INVEU-ICR-0099-2024 –SIW & SMEW Windows (SIW, SMEW)

Short description of the financing or investment operation and its objectives

Type of the financial intermediaries	Mostly commercial banks
Type of Final recipients	Natural persons, SMEs Small Mid-Caps, Housing associations
Country of implementation	Spain
Implementing partner	EIF

Under this Framework Operation Sub-Projects will be entered into with financial intermediaries supporting final recipients complying with at least one of the following product eligibility criteria: Sustainable Enterprise, Green Investments or Social Accessibility Investment.

This Framework Operation is expected to contribute to the objectives set out in Spanish RRP (as approved by the respective Council Implementing Decision), in particular by incentivising private investment and improving access to finance in Spanish Autonomous Communities in the following priority areas: sustainable transport, sustainable tourism, water and waste management, and energy transition, as well as to develop capital markets in these areas.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 16 December 2024 for the above-mentioned operation.

Additionality will be deemed to be met via each Sub-Project as long as financial intermediaries originate final recipient transactions, which carry a higher Risk profile than the risk generally deemed acceptable by such intermediary, inter alia in the form of targeting final recipients of lower creditworthiness or implementing financing solution in line with the enhanced access to finance measures described in the InvestEU Call for Expression of Interest and which carry an increased risk profile.

Market failures such as failing internalisation of externalities, information asymmetries including higher risk levels, and exposure to higher levels of risks in Spain are addressed by the operation.

Green lending by financial intermediaries to SMEs and individuals is still at an incipient stage, particularly in Spain, and is perceived as riskier. Green technologies are typically more expensive and capex intensive (e.g., renewable energies, industrial energy efficiency, etc.) and typically require longer periods of repayment. In addition, green financing comes with additional complexities in terms of assessments and requirements for both the financial intermediaries and final recipients. Consequently, the origination of green financing comes



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with additional intricacies and therefore is less attractive than financing more established activities.

The Sustainability Guarantee Product, implemented under the Member State Compartment in Spain will alleviate the mentioned elements by providing risk deleveraging for green lending and therefore incentivising financial intermediaries to in turn provide this type of lending, bringing clear green definitions and requirements, as well as supporting the market vis-a-vis the application of the EU Taxonomy for Sustainable Finance and, particularly for this type of final recipients that require a proportionate approach.