



Webinar on the 2nd Calls for Expression of Interest

18 January 2024



Agenda

1. Introduction
2. Pillar assessment
3. 2nd Calls' key elements of the InvestEU Fund and the InvestEU Advisory Hub
 - InvestEU Advisory Hub Call
 - InvestEU Fund Call
4. InvestEU Fund Call: Legal documentation/ standard products
5. Update on emerging policy priorities
 - SME window
 - Social investment and skills window
 - Research, digitisation and innovation window
 - Sustainable infrastructure window
 - Green Assist advisory initiative
6. InvestEU Fund Call: Risk Template

2. Pillar Assessment

Kinga Kollar, DG ECFIN, Unit L.1

How does it work?

- The entity's rules, systems and procedures will be analysed by an **independent external auditor** to ensure that they provide for an equivalent level of protection of the financial interests of the Union than the one provided under direct management.
 - the entity contracts the auditor
 - Corporate methodology (terms of reference) adopted by the College: Decision C(2019)2882
- On the basis of the auditor's report, the Commission will take a decision on whether it may work with the entity under indirect management and under which conditions.

PILLAR ASSESSMENT

Compulsory pillars *

Financing pillars**

1. Internal control	2. Accounting	3. Independent external audit	7. Exclusion from access to funding	8. Publication of information on recipients	9. Protection of personal data	4. Grants	5. Procurement	6. Financial Instruments
								6a. Budgetary guarantees
								6b. Tax avoidance and non-cooperative jurisdictions
								6c. Anti-money laundering and countering terrorism financing

* in the exceptional case that neither the rules and procedures for grants, nor for procurement nor for financial instruments are assessed (i.e. none of the pillars 4 to 6), there is no need to assess the rules and procedures for exclusion and publication (i.e. pillars 7 and 8)

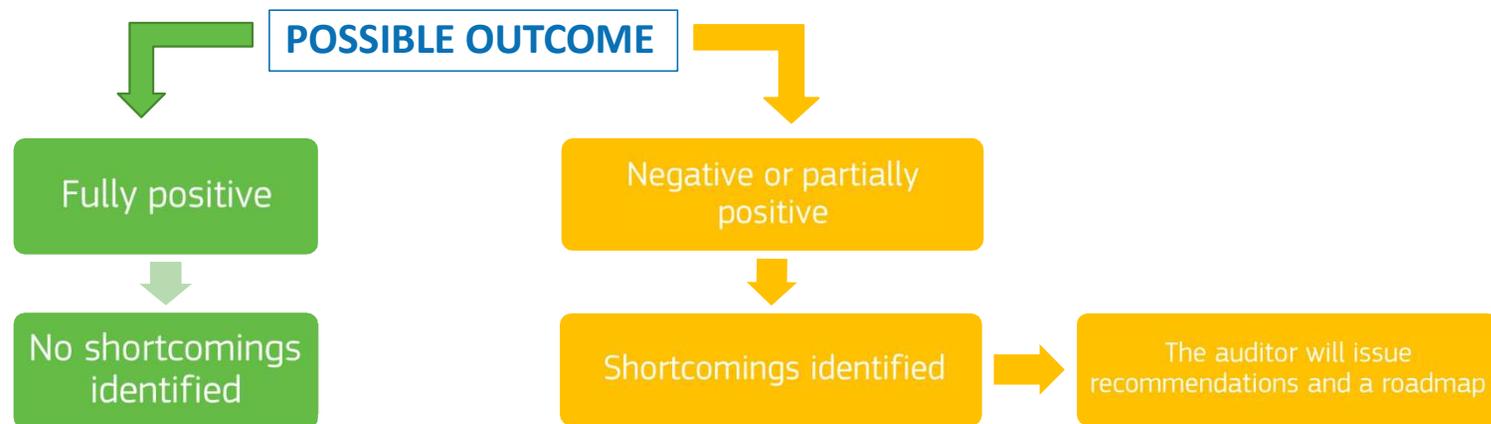
** to be assessed depending on the forms of funding to be provided by the entity

Commission's role during the audit

- Monitoring whilst respecting the auditor's independence
- Possible participation in kick-off/closing meeting
- Possible comments to draft report
 - Quality check: e.g. consistency score/findings, all questions addressed
- The Commission receives a copy of the final report

Pillar assessment final report

- Provides for **an opinion of the independent auditor** (audit report).
- The audit report **will support the lead DG's decision** on whether or not the entity fulfils the requirements to implement the EU funded actions under indirect management.



Supervisory measures

What: contractual provisions of temporary nature

When: gaps, weaknesses or deficiencies are identified

Why: to enable cooperation with the entity whilst protecting the Union's financial interests (Article 154 (3) and (5) FR)

Who decides: Lead DG, in cooperation with other (associated) AORs, with prior approval of LS/DG BUDG (Art. 57 IR)

Who applies: all AORs/AOSDs (Specific agreements)

In most serious cases → no signature of contribution agreements

3. 2nd Calls' Key Elements of the InvestEU Fund and the InvestEU Advisory Hub

InvestEU Advisory Hub Call

Key elements

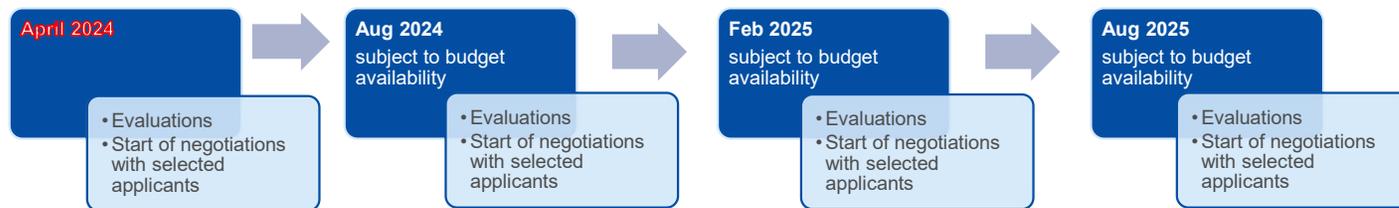
Marina Vatchkova, DG ECFIN, Unit L.2

Financial Terms and Timing

1. Financial terms:

- **Total budget: EUR 33.1 mln.**
- **Maximum allocation per applicant: EUR 5 mln** with no differentiation of the number of MS covered.
- **At least 30%** of the overall budget reserved for new advisory partners at each cut-off date.

2. Timing: Rolling call with cut-off dates every six months until August 2025 or earlier if budget has been exhausted.



Pre-selection criteria

✓ **Eligibility Check *new for the 2nd Call:***

1. *Financial institutions or other entities falling under Article 62.1(c) of the Financial Regulation that have been **pillar assessed**;*
 - *pillar (4) grants – in case of advisory support implemented through grants;*
 - *pillar (5) on procurement - in case of advisory support implemented through service providers.*

✓ **Application-based Scoring: Quality**

1. *Experience and ability of the Applicant to comply with all contractual obligations under the advisory agreement **only for new Applicants. Thresholds for the evaluation of the quality of the applicant;***



Pre-selection criteria (2)

2. *Quality and plausibility of the implementation of the proposed advisory initiatives, focus on the implementation schedule, resources and personnel and **readiness to implement advisory initiative(s)***

✓ **Application-based Scoring: Impact**

1. *Coverage of EU policy priorities and the InvestEU objectives;*
2. *Potential to create an investable pipeline of InvestEU Fund projects;*
3. *Additionality to other existing EU advisory programmes. **Priority to new Advisory Partners;***
4. *The cost-sharing, i.e. proposed size of the advisory partner's contribution*



Model Contribution Agreement

- The published Model Agreement (based on a new model Contribution Agreement as of July 2023) will apply only **for new Advisory Partners**.
- In case of application of a current advisory partner, the current Advisory Agreement may be amended.
- Agreements/ amendments to be concluded within one year from relevant the cut-off date.
- Cost-sharing is one of the call evaluation's criteria. APs can contribute through co-financing of the advisory activities or partial cost-coverage of in-house staff or external service providers implementing the advisory support (when pillar assessed for pillar (5)).
- APs are entitled to a remuneration of up to 7% of the eligible costs (included¹⁴ in the EU contribution).

Operational and Financial Reporting

- The Commission has put in place the InvestEU MIS which shall be used for the submission of the InvestEU Advisory Hub operational and financial reporting.
- Frequency and deadlines for reporting

Report name	Frequency	Deadline	Format
Annual technical report	Annual	15 February	Structured
Annual technical report (operational and financial narrative)	Annual	End of reporting period + max. 60 days	Unstructured
Semi-annual technical report	Annual	31 July	Structured
Assignment update	Monthly	Within 15 calendar days of the following month	Structured
Recording of received requests	Monthly	Within 15 calendar days of the following month	Structured
Success stories	Ad-hoc	Not applicable	Unstructured

InvestEU Fund Call

Key elements

Martin Koch, DG ECFIN, Unit L.3

Main features of the InvestEU Fund Call

- 1. Maximum budget EUR 1.37 billion** (MFF resources available for IPs other than the EIBG minus already committed MFF resources in Guarantee Agreements); budget might be increased.
- 2. Maximum EU Guarantee amount per IP** (1st and 2nd Call combined): EUR 750 million; exception for IPs that cover two (or more) Member States, overall ceiling of EUR 1 billion.
- 3. Time horizon:** Rolling call with cut-off dates for applications every 6 months, starting from end of February 2024 (1st cut-off date) - **change for the 1st cut-off date only: 5 April 2024** - until February 2026 (last cut-off date); earlier closure if budget has been exhausted.
- 4. Reservation of at least 30%** of the available budget for new IPs (at each cut-off date); **up to 70%** for existing IPs.
- 5. Simplified evaluation/ scoring**, notably for existing IPs and the top-up of existing financial products; key criterion for all applications: quality of the financial product(s).
- 6. Applicants and applications:** pillar assessment as an eligibility criterion, relevant documentation (standard GA; standard financial products) available to applicants on the InvestEU website; clear information on applicable State aid regime and affordable price by applicants.

Specific features for 'top-up' applications

- **For existing IPs only;** increase of the EU guarantee amount for existing product(s)
- **Simplified application process** based on quality only (call section 5.2.2.1); reference to performance of the existing financial product important (justification of the top-up)
- Pass-score of 18 out of 30 points on quality, **ranking in case of oversubscription** from existing IPs (top-up and new products together exceeding 70% of the call budget)
- **Process: amendment of existing Guarantee Agreements** (to be concluded within one year from the cut-off date)
- **To qualify as a 'top-up':** same scope, policy objectives, final recipients and risk-sharing structure, i.e. no material modifications to the risk parameters.
- **EU Guarantee contractual remuneration** agreed for the existing product can be also applied for the top-up.

Information/ communication on the 2nd Call

- Bilateral meetings between the Commission and applicants are possible, while respecting the following principles:
 - The Commission provides clarification on requirements mentioned in the published Call to potential applicants, in particular newcomers
 - Clarification by the Commission is based on publicly available information (Call; supporting information published on the InvestEU website; InvestEU Investment Guidelines etc.)
 - The Commission cannot provide ad-hoc advice on draft applications or assess specific eligibility criteria, risk sharing structures, or other features of potential financial products beyond the elements already available in existing documents
 - Potential applicants can send requests for information/ clarification to the Functional Mailboxes: EC-INVESTEU-FUND-CALLEOI@ec.europa.eu and EC-INVESTEU-ADVISORY-CALLEOI@ec.europa.eu

Useful information and next steps

- Information is already available on the InvestEU website (Call and supporting documents) including further information on potential risk sharing structures and guarantee templates.

[InvestEU: 2nd Call for Expression of Interest for the InvestEU Fund and the InvestEU Advisory Hub published \(europa.eu\)](#)

- The Commission may organise Webinars to provide information to all interested (potential) IPs

Questions & Answers



4. InvestEU Fund: Legal Documentation / Standard Products

DG ECFIN, Unit L.3 and Unit L.4

Introduction

(presented by: Laura Kukovecz-Muszczyk)

- Updated template Guarantee Agreement:
 - ✓ Some updates, simplifications, clarifications were introduced (e.g. EURI deadlines were removed as not applicable anymore, submission to the Investment Committee more flexible, some terms and provisions have been clarified);
 - ✓ Contains new templates for standard Financial Products;
 - ✓ Will be applicable to the new Implementing Partners, but some elements might be applicable also to the existing Implementing Partners (to be discussed on a bilateral basis);
 - ✓ In case of amendments of existing Guarantee Agreements, modification of applicable rules **will not** have a retroactive effect, the amendments apply for the future, unless otherwise specified in the amendment agreement.

Introduction

(presented by: Laura Kukovecz-Muszczyk)

This presentation will be divided into two parts:

- 1) “**Main template**” – fundamental concepts included in the main part of the template (glossary and main terms and conditions of the EU Guarantee)
- 2) “**Product templates**” – examples of Annex I for standard products:
 - i. Direct debt products with portfolio FLP coverage,
 - ii. Direct debt products with *pari passu* coverage; and
 - iii. Intermediated equity products with *pari passu* coverage

In case of the use of the standard products and related conditions, the negotiations are expected to be shorter.

Other type of products may be proposed by the Applicants in line with the InvestEU Regulation and the Investment Guidelines, in which case the terms will be negotiated bilaterally.

Introduction

(presented by: Laura Kukovecz-Muszczyk)

Structure of the template

- 1) Glossary (defined terms used throughout the agreement)
- 2) Main terms and conditions of the EU Guarantee
- 3) Annexes:
 - ✓ Annex I – Financial Products and Portfolios (provisions from the product templates will be included here)
 - ✓ Annex II – Operational reporting
 - ✓ Annex III – Financial reporting
 - ✓ Annex IV – Risk reporting
 - ✓ Annex V – Claims Form
 - ✓ Annex VI – Monitoring, controls and audit modalities
 - ✓ Annex VII – Financial identification form and legal entity file of the Implementing Partner
 - ✓ If applicable, Annexes VIII – XI – Form of amendment for Top-Up Annex (for blending operations), Eligibility Checklist (for thematic products and blending operations), State Aid Report (for Financial Products falling under GBER), Transitional Operations and certain other InvestEU Operations (for warehousing).

(presented by: Zsuzsanna Nagy)

Main template - Glossary

Definitions of different types of Operations:

- **Operation:** always between the Implementing Partner and its counterpart (direct: Final Recipient, indirect: Financial Intermediary); means what the Implementing Partner signs
- **InvestEU Operation:** what is submitted for the approval process: standalone Operations or Framework Operations
- **Framework Operations:** several potential Operations of the same Implementing Partner bundled together for the purpose of the approval process (not to be confused with Indirect Operations)
- **Sub-Project:** an Operation under a Framework Operation
- **Final Recipient Transaction:** the contract signed with the Final Recipient (direct: Implementing Partner, indirect: Financial Intermediary); in case of Direct Operations equals the Operation (eligibilities of both apply)
- **Sub-Operation:** a contract between a Financial Intermediary and a Financial Sub-Intermediary
- **Transitional Operations:** warehoused operations

(presented by: Tiziana Fabbris)

Main template - Financial Contribution

Art. 4 Financial Contribution: is the contribution from an Implementing Partner in the form of risk-taking capacity provided in a risk position equivalent to the risk position of the EU Guarantee and/or in risk positions senior to the EU Guarantee.

- The amount of the Financial Contribution is determined and agreed upfront between the Commission and each Implementing Partner (IP) in the Guarantee Agreement.
- The financial contribution is to be provided only with respect to the EU Guarantee that is used for the coverage of the IP's Operations.
- The reported financial contribution may differ from the amount specified in Article 4 of the Guarantee Agreement if:
 - The EU Guarantee amount is not fully used
 - Inputs parameters for the calculation of the Financial contribution have changed

(presented by: Zoltan Petrov)

Main template - Technical Assessment Unit

- The Partnership Agreement was signed with the EIB in May 2022, as required by the InvestEU Regulation. Under the Partnership Agreement, the EIB Group will support the implementation of the InvestEU Fund in relation to certain specific banking-related aspects.
- The **Technical Assessment Unit (TAU)** – a dedicated team of risk experts bound by strict confidentiality obligations was set up as a segregated unit within the EIB Group to perform the tasks described in line with Art. 11(1)(b) of the InvestEU Regulation.
- To carry out its functions, TAU will have access to certain **confidential information** regarding proposals of other IPs (**following the consent received from the IP**). An appropriate management of **confidentiality and no conflict of interest** is achieved via strict operational separation of the TAU from the rest of the EIB Group and its services.

Main template - Approval Process (presented by: Irmantas Simonis)

- **Art. 5.1 Requirement to undergo a Policy Check** – each proposed InvestEU Operation, including Framework Operations shall be submitted to the Commission for a Policy Check.
- **Art. 5.2 Timeline for Policy Checks** – up to two months, but the Commission will use its best efforts to complete earlier.
- **Art. 6 Eligibility Checklist:** applies to Top-Up Operations (blending) and thematic Financial Products that might benefit from an increased EU support in higher policy value areas.
- **Art. 7 Investment Committee (IC) and timeline for its decisions:** the IC is the sole decision-making body to approve the support of the EU Guarantee. IPs submit their proposal 20 working days before the IC meeting. If the information is complete, the IC will decide during the upcoming meeting.
 - IC and IC Secretariat RoP: https://investeu.europa.eu/investeu-governance/investment-committee_en
- **Art. 8 Order of submissions and approvals:** The approval and signature of the Operations by the Implementing Partner shall occur after the approval by the Investment Committee. In the new template, the submission of guarantee requests to the Investment Committee can happen before the policy check decision is issued (but the approval happens always after the favourable policy check decision).

(presented by: Cristina Bacci)

Main template - EU Guarantee

- **Art. 13.1** The EU Guarantee, once granted for specific Operations, is irrevocable, unconditional and on demand.
- **Art. 13.2 and 13.5** provides a maximum amount of EU Guarantee (**Global Cap**), this is the maximum amount of payments that the EU may make (all covered items included).
- **Art. 13.4 Guaranteed Sums:** items covered by the EU Guarantee will depend on the type of Financial Products of each Implementing Partner and will be listed in Annex I, taking into account the principles in Art. 19(2) of the InvestEU Regulation (for example, interests charged on a loan are covered until the event of default).
- **Art. 15 Calls on the EU Guarantee:**
 - Timing of the calls: they may only be made until the earlier date of
 - 12 months after the event of default or
 - Portfolio Termination Date/Operation Termination Date, as applicable.
 - Trigger events are specific to the type and characteristics of the financial products of the IPs and are set out in Annex I.

(presented by: Cristina Bacci)

Main template - Eligibility Criteria

- Eligibility criteria are defined in the main agreement, in Annex I and in the Product Schedule, they are cumulative.
- **Art. 3.9 EU Restrictive Measures:** If a Financial Intermediary/Final Recipient becomes a Restricted Person after the Operation is signed, this will not affect the operation.
- **Art 23.3 Eligibility criteria shall not be continuing:** They shall be verified only at the time of submission to the IC and approval by the IP unless otherwise provided in Annex I.
- The consequences of **non-compliance with the eligibility criteria** are set out in Annex I as this can be dependent on the type of Financial Product.
- **Specific eligibility criteria** might be set out in Annex I (for example, policy objectives, minimum and maximum amount or maturity, etc.).

(presented by: Uros Dravnic)

Main template - Policy Targets

- **Art. 22 Climate and environmental tracking:**
 - The overall climate (30%) as well as climate and environmental target under SIW (60%) are assessed at InvestEU Programme level,
 - Specific targets for the IPs are set in the Guarantee Agreement,
 - For Framework Operations, the requirements will be applicable at the Sub-Project level. The IP will have to present ex-ante to the IC the expected contribution of the Framework Operation to climate and environmental objectives that can be reasonably estimated at the time of submission and indicate, if applicable, the relevant sustainability proofing elements as agreed with the IP in the GA,
 - The same principle applies to the Scoreboard,
 - The Commission will track the fulfilment of these requirements through the applicable operational reporting. If targets are not met, discussion at Policy Review Dialogue should take place.
- **Art. 26 Policy Review Dialogue:** requirement under the Investment Guidelines, frequency – in principle once per year, on the date agreed by the Commission and the IP.

(presented by: Marek Panuska)

Main template - Foreign Exchange (FX)

- **Art. 13.2:** The EU guarantee can be signed in a local currency but with the indication of the equivalent EUR cap to be calculated at the FX spot rate of the day of the signature.
 - This EUR cap amount would be the relevant binding (Global) cap to the EU guarantee exposure.
 - **All amounts and payments in local currency** (calls, revenues, recoveries)
- **Art. 30.11:** For consistency purposes, only ECB Exchange Rates are applicable - either ECB rate at the reporting date (amounts outstanding at that date), or ECB rate at the date of a specific event (e.g. signature – historic value). The latter is to be used in some reports (mainly operational) if indicated as such in the template.
- All specific questions will be handled bilaterally, with IPs who submitted a request / justification for FX risk coverage in the Call for Expression of Interest.

(presented by: Marek Panuska)

Main template - Payment Terms (1/2)

- Art. 16.1 and 16.2 refer to payments to the Implementing Partner, Art. 16.3 and 16.4 refer to payments to the EU.
- The **Claims Form** (Annex V, Appendix I) serves as a recapitulation of the amounts due by the Commission to the Implementing Partner and from the Implementing Partner to the Commission:
 - On a quarterly basis,
 - Based on the definitions of Guaranteed Sums and distribution of Revenues and Recoveries,
 - Not linked to the operational report, but the figures should match the report,
 - To be submitted in 50 days following the end of each quarter,
 - The Commission pays 30 days after the receipt of the claim.
- Recoveries shall be deducted from amounts to be claimed. Recoveries of amounts already claimed shall be taken into account in the next Claims Form.

(presented by: Marek Panuska)

Main template - Payment Terms (2/2)

- The claim results in a payment by the Commission or by the Implementing Partner of a single net amount, depending on the total balance of amounts claimed vs amounts of Revenues and Recoveries.
- Claims in local currency shall be converted to EUR using the relevant rate as defined in the Guarantee Agreement.

(presented by: Marek Panuska)

Main template - Subrogation and Recoveries

- **Art. 18:** In accordance with the InvestEU Regulation and as a general principle, the EU shall become subrogated into the rights of the IP following a guarantee call, to the extent the rights continue to exist. The IP shall pursue the recovery of the claims for the amounts subrogated and reimburse the EU from the recovered sums (in a role of EU Recovery agent).
- In case subrogation is not possible, e.g. in cases of layered risk structure where EU provides the FLP and where, at the same time, the recoveries of the defaulted amounts are subject to a waterfall (i.e. direct link between the subrogated operation and recovered amount is lost), the EU has still the right to benefit from the part of the recoveries allocated to it as result of the waterfall. This EU part then reinstates the EU guarantee.
- The Implementing Partner shall pursue the recovery following its rules and procedures for as long as the proceeding are likely to result in recovery in excess of the costs.
- The recovery effort shall be conducted as a single transaction for the whole defaulted amount of an Operation. The recovered amount will be split between the EU and the IP. The part allocated to the EU is called "EU Recoveries" in the Guarantee Agreement.

(presented by: Damir Gubic)

Main template - Operational Report

- **Reporting requirements for IPs:** laid down in the InvestEU Regulation and in the Financial Regulation.
- **Timely, accurate, complete and comparable data** to follow-up the InvestEU implementation and the use of the available budget, to report to internal and external stakeholders (e.g. Commission services, European Parliament, Council, European Court of Auditors, general public, etc.).
- **Art. 30 and Annex II of the Guarantee Agreement template** define the operational reporting requirements: operational report (2x/year) and progress report (sub-set of the operational report due 4x/year, until 2028).
- **Structured format** to allow automatic processing of data. Reports to be submitted on a cumulative basis as **snapshots** at reporting date with operations approved by the IC and by the IP.
- **Reporting content is specified in data dictionaries. Not all content is required.** For instance, some is specific to a Policy Window or to a Financial Product type (e.g. equity product).
- **Art 30.8 - The State Aid reporting** refers only to the reporting by the Implementing Partner on Financial Products falling under the state aid General Block Exemption Regulation.
- **Personal Data:** General Data Protection Regulation will apply to the entities (IP and/or financial intermediaries collecting and processing individual personal data). On an aggregated basis, there should not be any individual personal data.

(presented by: Damir Gubic)

Main template - Financial Reporting

- The Financial Reporting (financial statements and reporting package) shall be prepared by the IP from the perspective of the EU Guarantee, in accordance with the EU accounting rules (IPSAS/IFRS based). EU Accounting Rules are available to IPs.
- The **Financial Statements (FS)** are intended to value the EU guarantee (balance sheet) and reflect the revenues and expenses from this guarantee (financial performance statements), so they are different to the FS of the IP (FS on the IP' overall business activity or FS on the guaranteed operations).
- **Fix deadlines for submission: 15 February** (Unaudited FS) and **15 March** (Audited FS), due to strict requirements for the preparation of consolidated EU financial accounts. IPs shall arrange with the financial intermediaries to receive timely information to comply with these deadlines.
- The Financial Statements are to be delivered through the InvestEU management Information System (MIS) in an unstructured (pdf) format. The reporting package shall be presented in an xls format in the form of the template prepared and shared by the Commission. In case there are updates between years of this template, the IPs will receive the amended version by 31 October of the reporting year.

(presented by: Guergana Tchopeva)

Main template - Risk Reporting

- **Art 1: twice a year** (year-end: 15/28 Feb (provisional/final), mid-year: 15 Sep), **via the InvestEU MIS**
- **Art 2/4 Direct (incl. Large Indirect Final recipient transactions) reporting:** per operation.
Indirect: per Financial Intermediary.
- **Art 2/4: Standard Template for all Implementing Partners:** IPs expected to report only on fields applicable to relevant Financial Products.
- **Art 2/4** Certain fixed data (e.g.: FLP rate, product name) are recurrent in the report will have to be reported for monitoring purposes. These are static data that in the future will be uploaded in the MIS.
- **Art 2/4: Summary table with definitions** (XLS format) for all data fields distributed once negotiations start.

(presented by: Damir Gubic)

Main template - Controls and Monitoring

- **Art. 31.5 and 32.3:** All agreements in the implementation chain should include the provisions on access to documents and on-the-spot audits by the ECA, OLAF, EPPO, and the Commission.
- **Annex VI:** Frequency and scope of audits: the Commission will regularly inform the IP of the required on-the-spot audits.
- Access to the IP's premises will only take place through mutually agreed pre-arranged meetings. Access to Financial Intermediaries and Final Recipients also needs to be agreed between the Commission and the relevant parties.

(presented by: Dénes Czúcz)

Main template - State aid

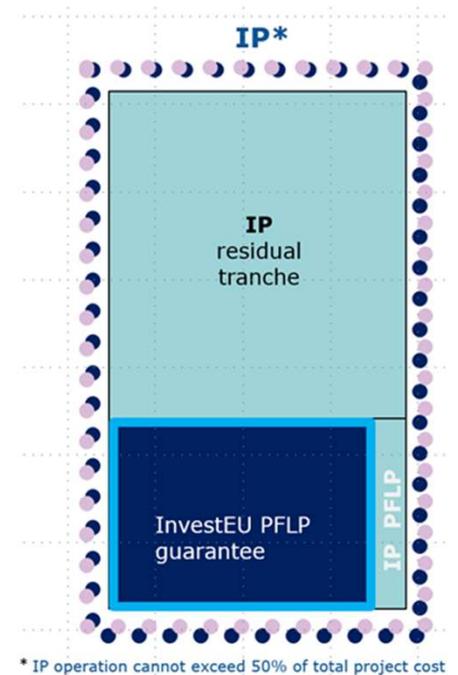
- Consistency - *under Financial Regulation* or Compliance - *under Treaty (TFEU)*
- Under compliance regime:
 - Financial Products under InvestEU could either:
 - ✓ be designed in a way excluding State aid, in accordance with the Commission Notice on the notion of State aid (e.g. market conformity, lack of economic activity, de minimis); or
 - ✓ confer State aid in compliance with:
 - a dedicated Commission decision following a notification according to Art. 108(3) of TFEU; or
 - GBER (Section 16 on InvestEU, Q&A document).

Important: to keep in mind the applicable rules of the intended State aid compliance regime already from the design phase of the InvestEU products (also to be indicated in the Application)

(presented by:Uros Dravinec)

Product template - Direct debt products with portfolio FLP coverage

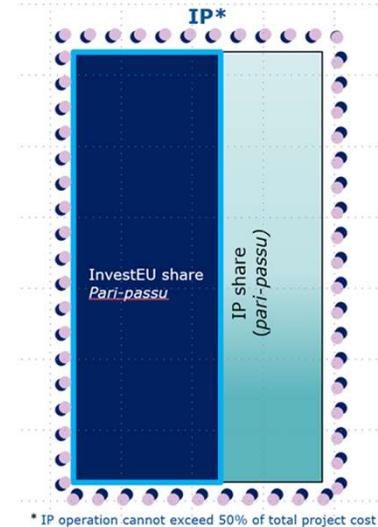
- **Portfolio coverage:** Debt Portfolio is split into two tranches: an FLP (first loss piece risk protection) and an RRT (residual risk tranche).
- The FLP is set at a certain percentage (to be agreed on a bilateral basis, based also on the riskiness of the product) **of the aggregate signed amount** of the Debt Operations included in the relevant Debt Portfolio (excluding any De-committed or Cancelled Amounts). The FLP consists of a percentage (to be agreed on a bilateral basis) of EU FLP and IP FLP on a *pari passu* basis. The remaining risk of the relevant Debt Portfolio is borne by the Implementing Partner in the form of the RRT.
- All Debt Operations included in the Debt Portfolio shall be covered by the EU Guarantee up to the EU FLP. The EU FLP **shall be made available** to the IP **progressively** through the inclusion of Debt Operations by applying the relevant rates agreed on a bilateral basis.



(presented by:Uros Dravinec)

Product template - Direct debt products with *pari passu* coverage

- Each Debt Operation, included in the relevant Debt Portfolio, shall be individually covered by the EU Guarantee up to the amount of the EU *Pari Passu*.
- The risk coverage of a Debt Operation consists of a **Pari Passu Protection**. The *Pari Passu* Protection consists of an EU *Pari Passu* and an IP *Pari Passu* on *pari passu* basis. The levels of the EU *Pari Passu* and IP *Pari Passu* are to be agreed on a bilateral basis.
- The EU *Pari Passu* shall be made available to the IP for each Debt Operation, at the time of the inclusion of the Debt Operation in the relevant Debt Portfolio, until the relevant Debt Operation Termination Date.
- **At least 20%** of the signed principal amount of each Debt Operation **shall be covered by the IP at its own risk**, which shall constitute a part of the IP *Pari Passu*. For the avoidance of doubt, this part of the signed principal amount of a Debt Operation **shall not be covered by any third-party guarantee**.



(presented by: Kestutis Juras)

Product template - Intermediated equity products with *pari passu* coverage

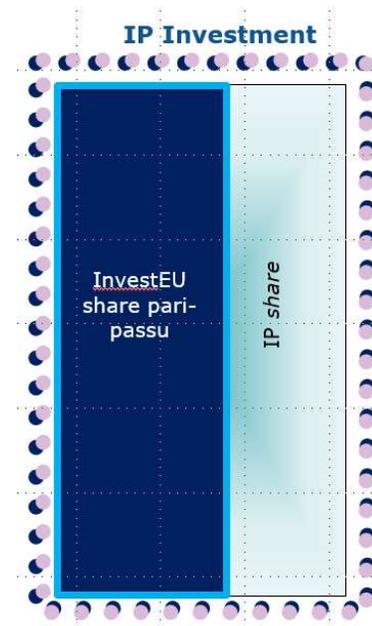
- **Size of Equity Operations:**
 - ✓ at least **7.5%** of the total commitments of the Equity Intermediary raised in the closing at which the Equity Operation is admitted (excluding amounts raised in the previous closings); and
 - ✓ no more than **25%** of the total commitments of the Equity Intermediary.
- At least **30%** of total commitments to each Equity Intermediary shall be made by:
 - ✓ **Third Party Benchmark Investors**, which could be complemented by
 - ✓ the EIF and/or the EIB on their own risk and out of their own resources.

The relevant aggregate commitments from Third Party Benchmark Investors shall not account for less than 15% of the total commitments to an Equity Intermediary in the risk class in which the Equity Operation is made.

(presented by: Kestutis Juras)

Product template - intermediated equity products with *pari passu* coverage

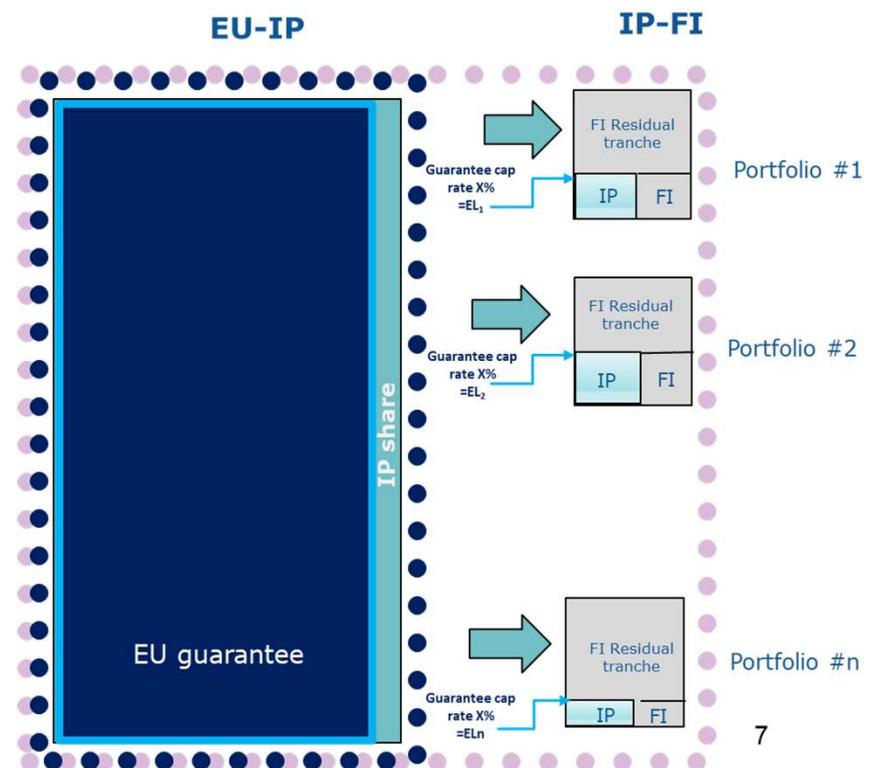
- **Coverage of Equity Operations:** each Equity Operation included in the relevant Equity Portfolio shall be covered by a Pari Passu Protection that comprises 50% EU Investment and 50% IP Investment ranking *pari passu*.
- Equity Operations included in an Equity Portfolio shall be covered by the EU Guarantee up to the aggregate amount of EU Investment. (EU Investment - amount committed by the IP under an Equity Operation and covered by the EU Guarantee)
- IP shall ensure the funding required to finance the EU Investment under Equity Operations.
- The EU Guarantee may be called with respect to the following amounts (“Guaranteed Sums”):
 - ✓ Any EU Investment Shortfall Amount (up to the EU Investments Outstanding Amount as at the Equity Operation Termination Date);
 - ✓ The (associated) Funding Costs;
 - ✓ The Equity Portfolio Final Call Amounts;
 - ✓ Any other amounts covered by the EU Guarantee, if applicable.



(presented by: Kestutis Juras)

Indirect Guarantee Products – capped guarantee

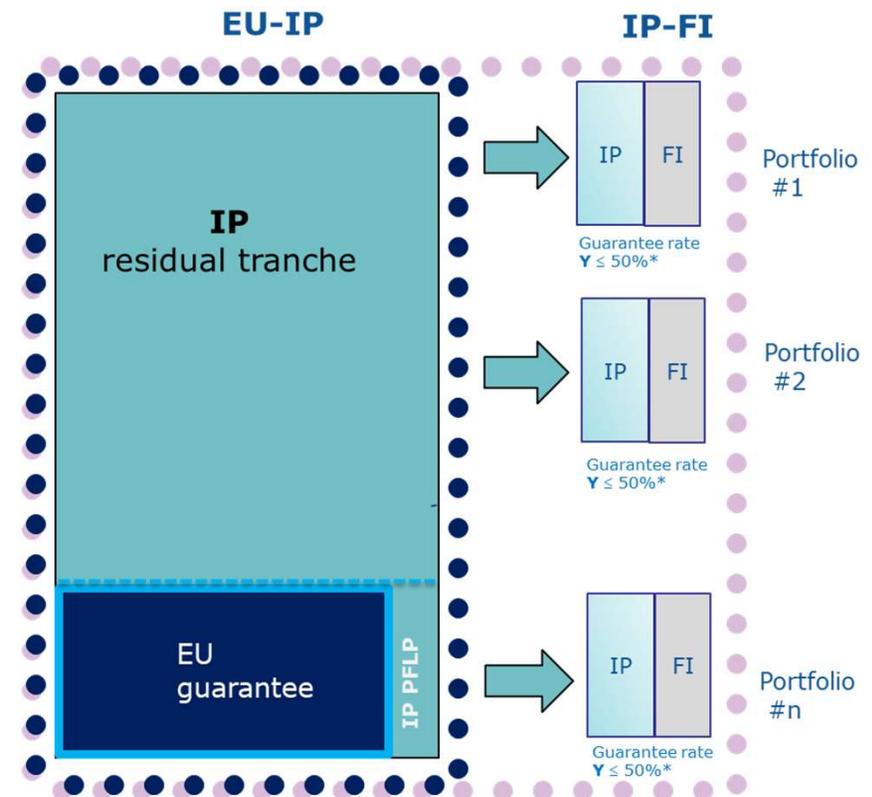
- Two-step process: i) the EU guarantee is provided to the IP (EU-IP level) and ii) a guarantee from an IP is provided to FIs (IP-FI level)
- Losses (net of recoveries) are covered at the Guarantee Rate until the total amount paid under the EU guarantee reaches the amount corresponding to the Guarantee Cap Rate
- Guarantee Cap Rate cannot exceed 25% of the portfolio (except SISW)
- The Guarantee Rate shall be set typically at 50% (may be increased for high policy value)
- At least 20% of exposure shall be retained by originating Financial Intermediary
- The IP is expected to take a share of at least 5% in the FLP to ensure sufficient alignment of interest



(presented by: Kestutis Juras)

Indirect Guarantee Products – uncapped guarantee

- Two-step process: i) the EU guarantee is provided to the IP (EU-IP level) and ii) a guarantee from an IP is provided to FIs (IP-FI level)
- Losses (net of recoveries) are covered at the Guarantee Rate (there is no cap)
- The Guarantee Rate shall be set typically at 50% (may be increased for high policy value)
- At least 20% of exposure shall be retained by originating Financial Intermediary
- The IP is expected to take a share of at least 5% in the FLP to ensure sufficient alignment of interest



Thank you - Q&A



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Slide 1 to 54 : icon, source: flaticon.com (authors : inipagistudio / Freepik)



5. Update on Emerging Policy Priorities

SME window



Priorities in Net Zero Industry Act and in the CRM act

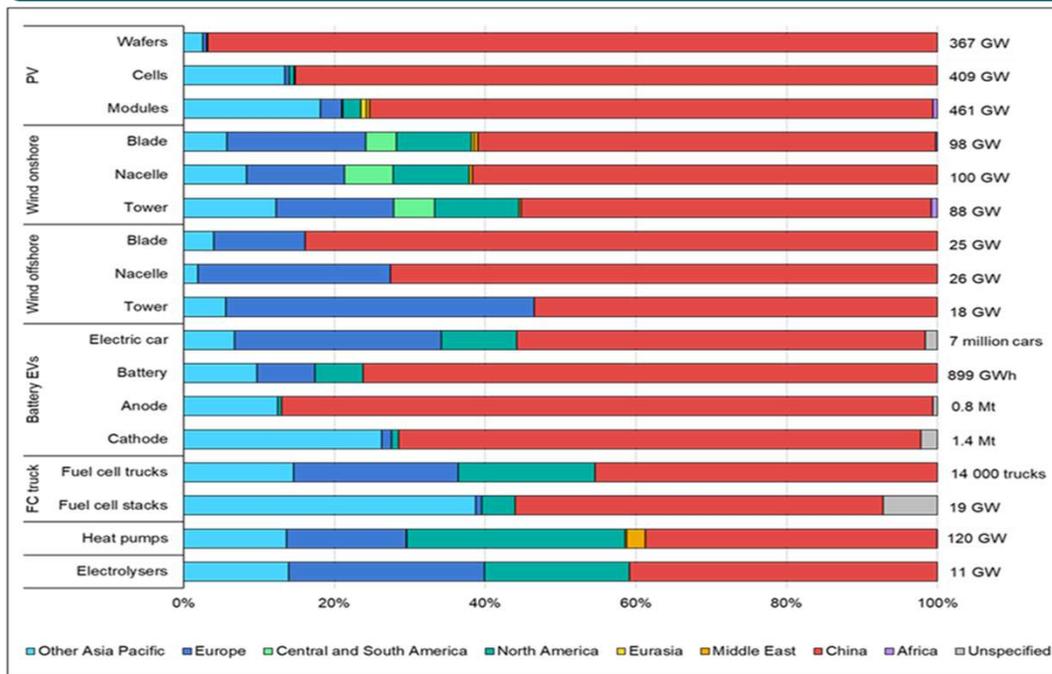
Astrid BARTELS, DG GROW, Head of Unit 'Access to Finance' (C1)

Recommendations for SME Window applicants

- ✓ Use InvestEU as an opportunity to experiment with new products and target groups, rather than doing more of the same.
- ✓ EU priorities to be better reflected in the products (green and digital transition, CRM, support to net-zero industry).
- ✓ Do not only consider portfolio guarantees but also indirect equity support for EU priorities (provided that IP has capabilities in this area).

Net-Zero Industry Act - Rationale

1. Dependencies



2. Investment needs

- USD 640 billion projected in key net-zero technology supply chain investments globally by 2030.
- **EUR 92 billion** needed in key net-zero supply chain investments **in the EU by 2030.**

Global market for key mass-manufactured net-zero technologies to triple by 2030 – a once in a lifetime opportunity for the European industry

Net-zero technologies according to Commission proposal

- Renewable energy technologies;
- Electricity and heat storage technologies;
- Heat pumps;
- Grid technologies;
- Renewable fuels of non-biological origin technologies;
- Sustainable alternative fuels technologies;
- Electrolysers and fuel cells;
- Advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle, small modular reactors, and related best-in-class fuels;
- Carbon capture, utilisation, and storage technologies;
- Energy-system related energy efficiency technologies

Strategic technologies according to Commission proposal

- Solar photovoltaic and solar thermal technologies
- Onshore and offshore renewable technologies
- Battery/storage technologies
- Heat pumps and geothermal energy technologies
- Electrolysers and fuel cells
- Sustainable Biogas/Biomethane technologies
- Carbon Capture Storage and Utilisation (CCUS) technologies
- Grid technologies

Net-Zero Industry Act: "the what"

Permitting

Streamlined permitting deadlines and procedures

One-stop shops

Information sharing

Innovation

Regulatory Sandboxes to promote innovation and to test innovative net-zero technologies in a controlled environment for a limited amount of time

Markets (demand)

Sustainability & resilience criteria in auctions, public procurement and public support measures

CO₂ storage targets and obligations for CCS markets

Skills

Skills for quality jobs through Net-Zero Industry Academies

Credentials for skills transparency, transferability & cross-border mobility

Investment

Crowding-in private investments in net-zero strategic projects by Commission and MS

Net-Zero Industry Europe Platform to advise on financing of projects

Governance

Net-Zero Europe Platform as a reference body for the Commission to coordinate actions jointly with Member States including international partnerships

European Critical Raw Materials Act

Background:

- EU is heavily dependent on third country supply for CRMs that are key for strategic technologies
- Strategic dependencies and risk of supply chain disruption

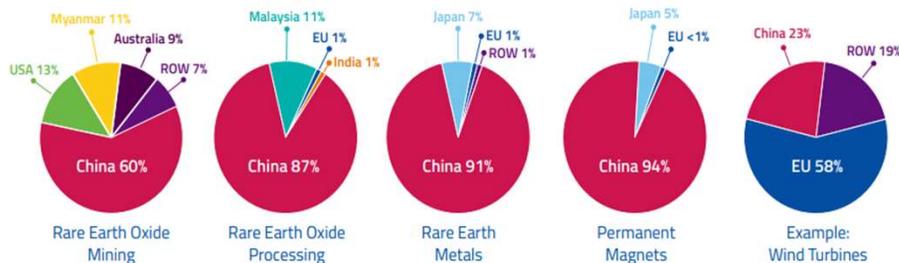


Fig. 3: From rare earths mining to wind turbine manufacturing; estimated market shares in 2019. Sources: Team analysis and Roskill 2018; Adamas Intelligence 2019; Petevs 2017; Carrara et al. 2020; IEA 2021; USGS 2021.

Source: European Raw Materials Alliance (ERMA)

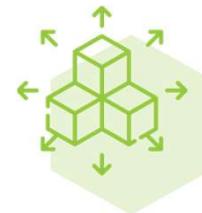
Aim: Ensuring a secure and sustainable supply of critical raw materials for the Union



Strengthen all stages of the European CRM value chain



Improve EU capacity to monitor and mitigate risks of disruption to CRM supply



Diversify EU CRM imports to reduce strategic dependencies



Improve CRM circularity and sustainability

Setting Priorities

DEFINING CRITICAL AND STRATEGIC RAW MATERIALS

Critical Raw Materials (CRM) (Annex II of CRM Act)

Whole EU economy, based on :

- supply risk
- economic importance

Strategic Raw Materials (SRM) (Annex I of CRM Act)

SRM are a subset of CRM:

- Key for strategic technologies (green, digital, defence and space)
- Forecast demand risks outstripping supply

STRATEGIC PROJECTS

Across the whole Strategic Raw Material value chain: extraction – processing – recycling and for production of substitute materials

Selected by the Commission with advice from the Board based on

- Contribution to security of supply
- Sustainability
- Technical feasibility
- Cross-border benefits in EU/ Economic and social benefits in third countries

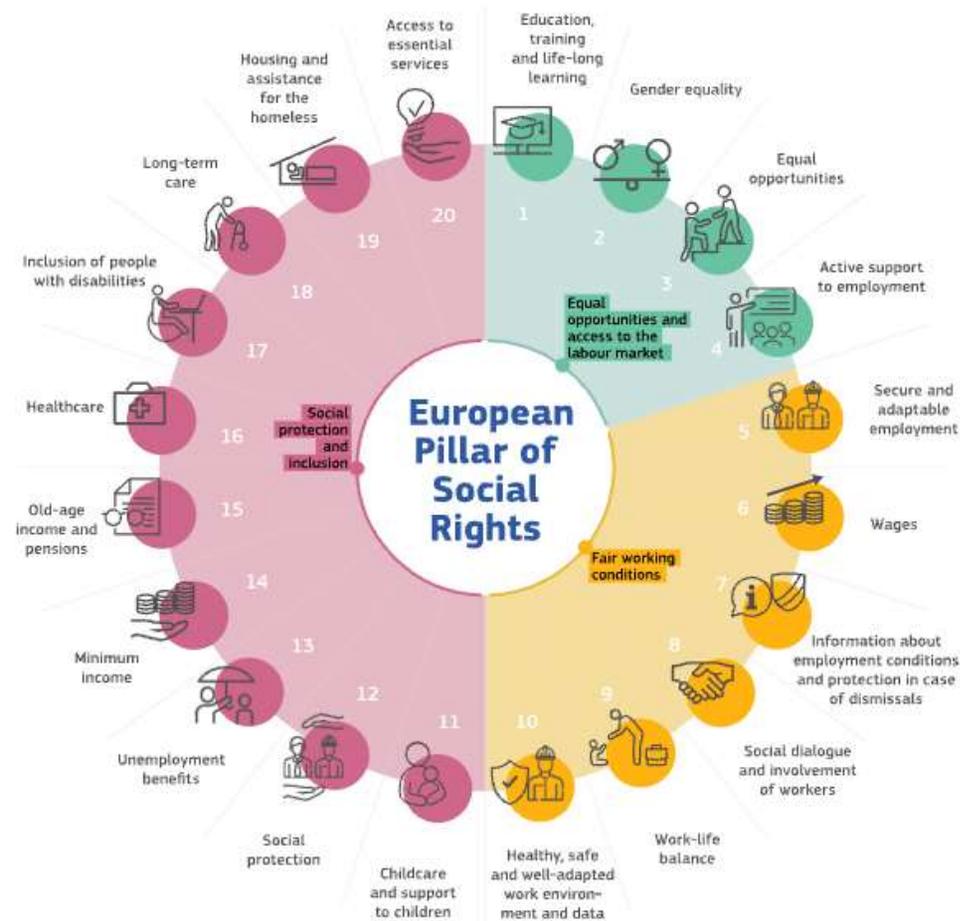
Support by MS and EC to to accelerate and crowd-in private investments in Strategic Projects and advise them on access to finance => such projects could be financed under InvestEU



Social Investment and Skills Window

Agnese Papadia, DG EMPL, Unit G.3

Policy context: Deliver on the 20 principles of the European Pillar of social rights



Recent developments & policy priorities

- November 2023: **Council Recommendation on promoting enabling frameworks for the social economy**
- A growing market for **microfinance**
- Increasing needs for **affordable social housing**
- May 2023 – May 2024 **European Year of Skills**
 - A response to labour shortages and the skills challenge related to the green and digital transition
 - Promoting a mindset of lifelong skills development

InvestEU priorities in education and training

- Education infrastructures and services that support the **green and digital transitions** and as **inclusion**. From early childhood education and care to adult learning, including student housing and digital equipment
- **Student loans** and promotion of **upskilling and reskilling**
- Support to SMEs and/or other institutions that provide education, training and related services, including for adults

Lessons learnt on InvestEU implementation

- A strong link between InvestEU advisory services and fund is key to build an investable pipeline of projects
- Exploring aggregation of projects and innovative ways of financing, such as co-investment platforms can open up more investment opportunities
- Focus on vulnerable groups
- There are interesting niche markets to further explore and scale up

Research, Digitisation and Innovation Window

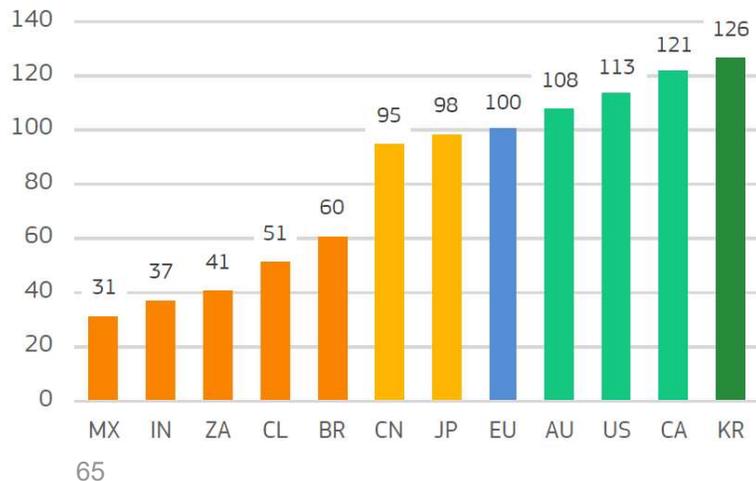
Investments in Research & Innovation

Andras Inotai, DG RTD, Head of Unit A.5

Policy context:

Europe must invest more in research & innovation to keep its scientific and tech leadership.
New EUROPEAN Innovation Agenda

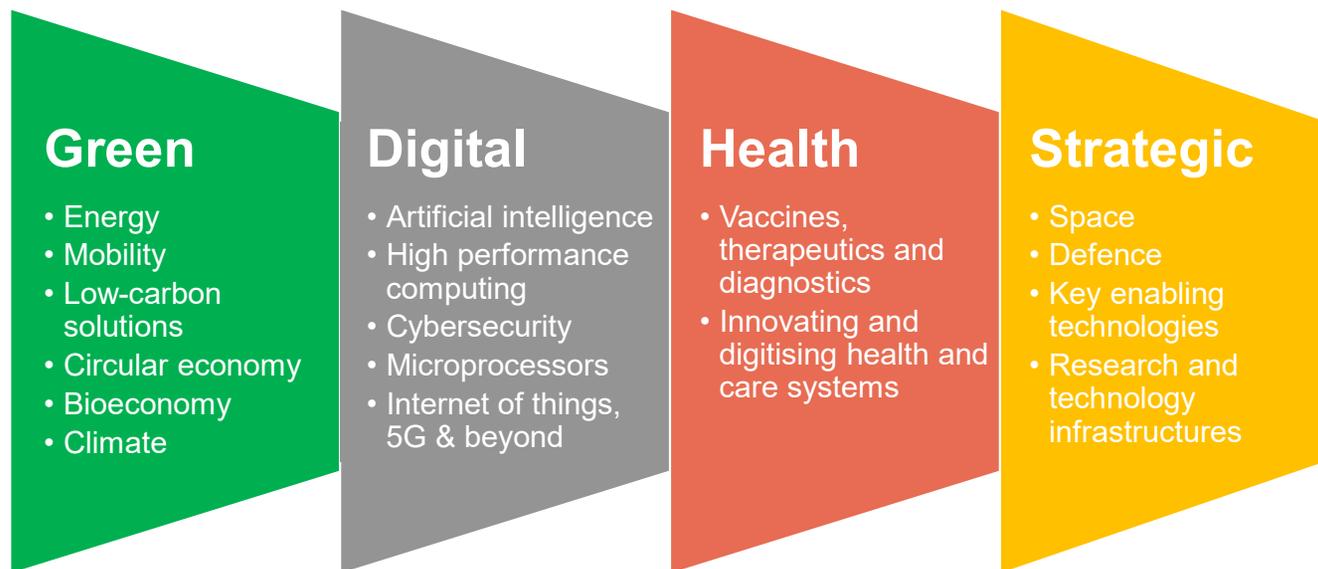
Performance global competitors



Overview of RID policy window

Eligible activities and thematic areas

- Research, product development and innovation activities [services, processes and products].
- Transfer of technologies and research results to the market, supporting market enablers and cooperation between enterprises.
- Demonstration and deployment of innovative solutions and support to scaling up of innovative companies as well as digitalisation of EU industry.



RIDW under the first call

- Innovation is an attractive proposition for the Implementing Partners.
- Ecosystem development: NPI mandate and Local /Regional important.
- InvestEU backing allows them to **build inhouse expertise**.
- Huge demand by SMEs on the path to become fully bankable and future customers.
- **Cross cutting products**, allows combinations with SME and Sustainable Infrastructure Window possible.
- **Easy to handle** criteria: comprises service, process or product innovation.

RIDW early take-aways

- Provide access to finance to address market failure and allow innovative companies to scale up
- De-risk for the NPI and other investors investments in research & innovation at the nexus from research to revenue
- Inside RIDW multiple combinations of priorities are possible
 - Precision farming agriculture, space, digital
 - E-health: digitisation, platform, AI, SAAS
 - Advanced materials for Space or health applications

Success, what does it look like!

- Northvolt
 - Gigafactory for lithium-ion battery cells in Skellefteå, Sweden, €350 million follows the successful financing of demo line in 2018, €52 million
- Energy dome
 - Recognizing the transformative potential of Energy Dome's CO2 Battery to support a future clean technology champion in Europe, is providing €25mn Venture Debt backed by InvestEU

Predecessor InnovFin SMEG

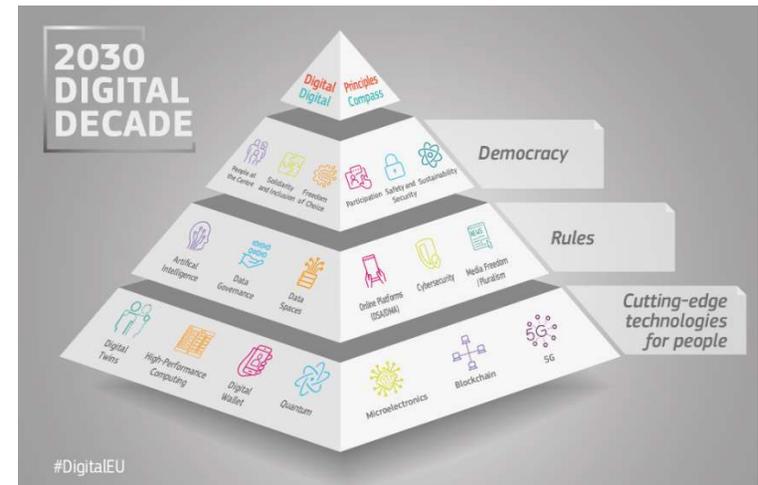
- reached more than 35k SMEs.
- Loan guarantees: 2/3 of the SMEs were beneficiaries of Gov innovation support and/or innovated service, process or product

Investments in Digital Technologies and Cultural and Creative Sectors (media)

Carmen Arroyo de Sande, DG
CNECT, Unit D1

Policy framework: Europe's Digital Decade

- Reply to challenges associated with the **digital transformation**
- Technology and innovation that **work for people**
- **Targets** for each of the four areas: connectivity, digital skills, digital business and digital public services
- **Objectives** to guide Member State actions
- **Rights and principles:** EU values to be respected in the digital world
- **Multi-country projects:** to pool investments and launch large-scale, cross-border projects
- Where we are? **2023 Report on the state of the Digital Decade** (<https://digital-strategy.ec.europa.eu/en/library/2023-report-state-digital-decade>)



What we expect from InvestEU RIDW? To contribute to strengthening EU's competitiveness, digital independence and strategic autonomy on data, communication technologies, services and products that facilitate digital transition and address societal challenges as well as cultural and creative sectors (CCS).

Policy priorities I: main considerations

- **Funding priorities:** Digital Europe Programme – WP 2023-2024 (<https://digital.strategy.ec.europa.eu/en/activities/work-programmes-digital>).
- While the COVID-19 crisis highlighted the critical role of **digital technologies and infrastructures** in our lives and demonstrated how our societies and economies rely on digital solutions, Russia's war of aggression against Ukraine has further exposed the vulnerabilities in our **digital supply chains** and the importance of investing in **cybersecurity** and drastically improving **EU's digital capacities**.
- Strategic/Critical Digital Technologies: their deployment and their best use for critical sectors like **energy, climate change and environment, manufacturing, agriculture and healthcare**.
- **Upskilling and reskilling** for these advanced digital technologies.
- Support to industry, SMEs, and public administration in their **digital transformation**.
- The **green and digital twin transition** is a core political priority of the European Commission. The digital transformation contributes to the green transition and the objectives of the European Green Deal. At the same time, the energy consumption of digital technologies should not exceed the energy they save. For this reason, the **do no significant harm principle** applies also to all activities of the digital transition.

Policy priorities II: key focus areas

- 1. Artificial Intelligence (AI):** generative AI projects that are human-centric and trustworthy, aligned with European values, and compliant by design AND projects that leverage existing data or create new high-quality data in large scale to be used by AI models ([AI ACT](#)).
- 2. Quantum:** quantum technologies addressing innovation in any segment of the value chain for the development of quantum technology components. Quantum-based Union networks and critical digital infrastructures as well as the production of quantum chips. Particular attention to aggregated capacity (e.g., investment platforms).
- 3. Cybersecurity:** activities and services that cover the security of services and the security of connected objects in homes, offices and factories, building collective capabilities to respond to major cyberattacks notably against critical infrastructure.
- 4. Semiconductor technologies and chips:** technologies and solutions for development & production of microelectronics and photonics components/systems and semiconductor chips for digital applications.
- 5. Data:** innovative solutions for enhancing the sustainability of data centres in relation to the next phase of projects concerning novel digital climate technologies.
- 6. CCS – Media:** activities in the cultural and creative sectors, including the development and use of new technologies and tools for the management of intellectual property rights - audiovisual content production and distribution or news media sector. Particular attention to advisory services.
- 7. Education Tech:** activities related to education and training which facilitate the development of new and the strengthening of established skills (Virtual Reality/AI/Cloud platforms/Cybersecurity)

DIGITAL IS CROSS- CUTTING

Example: **Digital Health** - Cybersecurity of medical devices & healthcare systems / Computing infrastructure and capacity in institutions managing health data

Sustainable Infrastructure Window

Balázs Zörényi, DG ENER, Unit, A.4
Carmen Arroyo de Sande, DG CNECT, Unit D1
Silke Brocks, DG MOVE, Unit B.1

In light of the huge investment needs and the difficult macroeconomic conditions, InvestEU plays a crucial role in the decarbonization of the energy sector

- The EU is facing an unprecedented investment challenge for energy
 - Reducing net greenhouse gas emissions by at least 55% by 2030 (Fit-for-55 objectives) - **EUR 487 billion** annually by 2030 (+EUR 754 billion for transport vehicles recharging/refuel infrastructure)
 - REPowerEU objectives - **EUR 210 billion** until 2027
 - The Net-Zero Industry Act (NZIA) - **EUR 92 billion** over the next 7 years
- The investment environment is difficult due to inflation, increasing cost of materials, the disruption in supply chains, rising cost of capital and the global volatility of commodity prices
- Most of the investments will have to come from private investors
- InvestEU is key to unlock private investments in energy
- We can see high market demand for energy related projects under InvestEU in the Sustainable infrastructure Window, and energy related projects are also financed through other policy

InvestEU support is needed across the whole energy value chain and for technologies with different technology readiness levels



Renewables

The new Renewable Energy Directive entered into force in November 2023 setting a new binding target of at least 42.5% for renewable energy by 2030



Wind

A Wind Power Action Plan and a new vision for offshore wind was presented in October 2023 to accelerate deployments and improve access to finance



Grids

An action plan was proposed in November 2023 to expand, digitalise and better use EU electricity transmission and distribution grids, including improving access to finance



Energy efficiency

The revised Energy Efficiency Directive (EU/2023/1791) significantly raises the EU's ambition on energy efficiency.



Energy storage and hydrogen

EU to develop renewable hydrogen and it aims to produce 10 million tonnes and import 10 million tonnes by 2030



Net zero technologies

InvestEU to support the Green Deal Industrial Plan to enhance the competitiveness of Europe's net-zero industry and the fast transition to climate neutrality.

Trans-European transport network (TEN-T)

- Revision of the TEN-T Regulation: political agreement reached on 18 December 2023; entry into force of tentatively Q2/2024
- **Completion of TEN-T:** 2030 (core), 2040 (extended core), 2050 (comprehensive)
- Investment needs of around 500 bn EUR for the completion of the core network, of which **200 bn EUR to complete the main cross-border projects**
- Political priority remains on fostering rail for passengers and freight, notably digitalisation of rail (ERTMS), connectivity at higher speeds (>160 km/h), 740 m long trains, long-distance rail connections to airports
- New political focus:
 - urban nodes (multimodal passenger hubs / freight terminals; last mile connectivity)
 - increase of multimodal freight terminal capacity to foster combined transport
 - synergies with the roll out of alternative fuels: TEN-T as infrastructure basis and in parallel development of vehicle fleets
 - climate resilience and decarbonised construction

Project examples (energy and transport)

- Large scale deployment of renewables
- Grids and storage to support the expansion of renewables
- Energy efficiency
- High-speed electric rail (e.g. Lisbon-Porto line)
- *Nature and environment (see specific presentation by DG Environment)*

Digital priorities

Name of the policy area	Type of projects within the policy area considered to be a priority	Short justification why this area / type of projects within a policy area should be priorities
Digital Connectivity	Projects supporting a universal (i.e. including rural/peripheral areas) roll-out of very high capacity digital networks, including through the deployment of wired and wireless connection systems such as fibre and 5G connection systems	These investments are needed to reach the Union's strategic digital connectivity targets as defined in the Digital Decade: 2030
Resilience of Union networks	submarine cable infrastructure establishing new or alternative secure routes and projects increasing supply chain security, developing maintenance and repair capacity for submarine cables	Increase the resilience of Union submarine cable infrastructure
Sustainable Data Infrastructure	<ol style="list-style-type: none"> 1. The rollout of new generation (not yet present on the market) high capacity or energy efficient interconnected cloud infrastructures within the EU 2. Best-in class energy efficient European data centres supported by the retrofitting of data centres for both large and small companies 	<p>Increase the resilience and sovereignty of Union data infrastructure capabilities</p> <p>Supporting the delivery of the Green Deal</p>

General recommendations for applicants

- Careful assessment and a targeted approach when applying for guarantee under the different policy windows to avoid unused guarantee allocations
- Comprehensive reporting to ensure efficient policy review dialogues
- Effective communication activities with early involvement of the Commission



Importance of environmental investments and advisory initiative **GREEN ASSIST**

Clara Solzbacher, DG ENV, Unit E.1
Philipp Troppmann, CINEA, Unit A1

Need for environmental investment

Importance of investing into nature, biodiversity and circular economy

- Global economy is highly **dependent on nature and its services**: around 50% of global GDP depends on nature and its services.
- Need **to decouple economic growth** from the consumption of raw materials: Need to push circular economy business models and products.
- Important **synergies** can and have to be achieved between **climate and biodiversity financing**. Climate change cannot be tackled long-term without investments into nature.

Framework and InvestEU contribution

Framework

- **Global biodiversity agenda**, Kunming-Montreal Global Biodiversity Framework for 2050 : EU committed to double biodiversity financing by 2030.
- **EU Biodiversity Strategy 2030** sets out that at least **EUR 20 billion** are to be unlocked yearly for spending on nature. EUR 10 billion under InvestEU in the coming 10 years.
- **2021-2027 MFF** committed to dedicate 7.5% to biodiversity objectives as of 2024, and 10% in 2026 and 2027.
- **EU sustainable finance taxonomy** is already guiding investments towards a green recovery
- **EU Nature Restoration Law** generates demand for increased investments in ecosystem restoration and greener practices.

InvestEU contribution and potential

- Sustainability proofing and exclusion list under InvestEU
- 30% climate tracking with methodology for IPs
- Natural-capital and circular-economy initiative to mobilize at least € 10 billion in 10 years
- 60% of 'Sustainable Infrastructure Window' to climate and environment
- Some products under the Sustainability Infrastructure Window dedicated to nature and circular economy.

However: the current uptake has remained limited.

→ Exploiting the full InvestEU potential for nature and circular economy is crucial!

Avenues to explore to scale up investments into nature under InvestEU

Addressing the **water sector and climate change adaptation**

Addressing the **forestry sector**

Introducing **nature-based solutions** into other bigger investments

Exploring together

Promoting indirect **intermediated operations**

Integrating **Circular Economy** consideration in all the productive sectors

Dedicated **advisory services**

GREEN ASSIST

The expert advice to make your investment greener

a technical assistance opportunity to support environmental investments

#GreenAssist



Green Assist – An outline

WHAT

Advisory services to prepare green/greener investment projects

Objective:

Build a pipeline of green investment projects

WHO

Addressed to **private and public** beneficiaries

Diversified sectors

HOW

On demand, free and individually tailored

By a **specialised expert** (from a 'Roster') or by a **consultancy**

Specifically contracted for each request



Green Assist – targeted to support environment

Green Assist is designed to:

- Contribute to the EUR 10 billion **natural capital and circular economy initiative** (InvestEU)
- **Strengthen green investments and greening of other sectors** on environmental priorities
- Towards a **pipeline of bankable projects**



GREEN ASSIST

Implemented by CINEA

€30 mn



How Green Assist works - 2 forms of advisory services

Project Advisory (Roster of experts)

Project preparation, development or implementation (e.g. business plan (CAPEX, OPEX, revenues validation), financial structuring, environmental due diligence cost-benefit analysis, review of business model,...)

Blending and combined **use of funds**

Enabling Advisory (consultancies)

Capacity building

Market development activities

Strengthening capacity for **investment-readiness**

Green Assist – Sectors and industries

Biodiversity

Nature & Biodiversity
restoration, ecosystem
resilience

Pollution, prevention, control

Flood protection & climate
change adaptation

Natural Capital

Protection &
conservation of
terrestrial & marine
ecosystems

Water sector (drinking
supply, sanitation,
efficiency solutions)

Sustainable
development (urban,
rural, coastal, offshore
areas)

Circular economy

Waste sector
contributing to the
transition to a circular &
sustainable economy

Sustainable design,
packaging short supply
chain

Repair & Life extension
sharing

Greening the other sectors

Industries
Blue economy
Transport and
infrastructure
Sustainable (chemical)
processes

Agriculture
Forestry
Fisheries

Sustainable finance

Green Assist – what you can expect

- **Easy application** and **lean process**
- **Professional support** and **objective matching**
- **Independent experts** ensuring credibility and interactivity
- **Continuous support** over project key steps (from design to investment decision)
- **Free of charge** access to ‘environmental’ professionals (economist, finance, etc.)
- **Transparency** and **accountability**
- Agreement on **Code of Conduct**
- **Knowledge sharing** (except for confidential information)

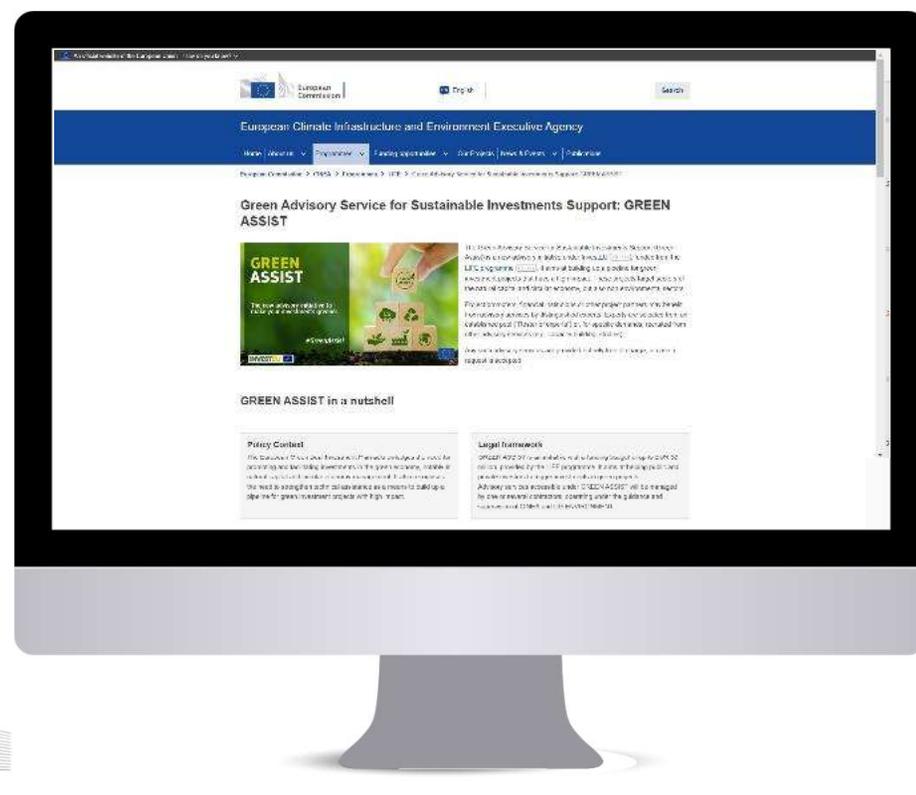
Contacts

For more information about the types of advisory services or to submit a Request for Advisory Services, you can **contact us** at:

cinea-green-assist@ec.europa.eu

Find out Green Assist also on LinkedIn and Twitter

**GREEN
ASSIST**



Thank you

Clara Solzbacher

European Commission

DG Environment

E1 – Green Finance and Investments

Clara.Solzbacher@ec.europa.eu

Philipp Troppmann

European Commission

CINEA

A1 – Programme support, coordination & communication

Philipp.Troppmann@ec.europa.eu



6. InvestEU Fund Call: Risk Template

Tiziana Fabbris, DG ECFIN, Unit L.4

Risk Template

Rationale and Timing: Key Aspects



The ex-ante information included in the Risk Template's Excel file is a mandatory requirement prior to the signing of every InvestEU guarantee agreement.

Scope:

To provide **an ex-ante description of financial products (FP)** which the implementing partner (IP) intends to deliver under the InvestEU Guarantee coverage

Why?

As a basis for the Commission to analyze ex-ante **the riskiness of the proposed FP**, the remuneration of the InvestEU Guarantee and to estimate the **provisioning rate** required for each additional FP in the InvestEU

Who?

Each IP shall provide the requested inputs for each FP proposed using the standardized XLS file template, including for Top-ups of existing FPs*

When?

- 1) During the application submission stage and
- 2) Once the IP's application is approved, a repeat submission is due prior to signing the Guarantee Agreement (i.e. once the risk structures have been agreed and in case of new market developments)

* A **Top-up of an existing FP** is an increase of the EU guarantee for a FP deployed by the IP under the 1st InvestEU call which maintains the same risk-sharing structure, supports the same final recipients targeted and does not materially modify the risk parameters of the existing FP.

Risk Template

Update prior to the 2nd InvestEU Call



- *The RT is available on the InvestEU Wiki*
- *ECFIN amended certain parts of the RT, following discussions with IPs held during the negotiations held part of 1st InvestEU call*
- *The RT was adapted to reflect methodological requirements (i.e. InvestEU Common Rating Scale) and questions of IPs from the 1st call*
- *Definitions were reviewed to avoid misinterpretations*
- *A couple of additional fields on equity were introduced to better understand the nature of the investments*
- *Amended input fields in the RT compared to the version used under the 1st call are indicated in colour-coded cells in column B of the RT*
- *In case of guarantee products (capped and uncapped) or more complex structures, IPs are encouraged to submit diagrams, explaining the product structures*

Risk Template Structure (1/4)

Characteristics of the FP's underlying portfolio



Underlying portfolio	
D10	Amount of underlying IP portfolio
D12	Base currency
D13	Guarantee type: individual guarantees/line-by-line (L) OR Portfolio Guarantee (P)
D16	Type of underlying financing (debt/equity)
D17	Maturity/equity holding period
D18	Weighted Average Life (WAL)
D19	Amortisation (bullet/amortising)
D20	Grace period
D21	Forward starting date
InvestEU equivalent rating of the proposed portfolio / operations	
D22	Aaa (% , EUR portfolio)
D23	Aa1 (% , EUR portfolio)...
D41	Aaa (1Y PD)
D42	Aa1 (1Y PD)
D43	Aa2 (1Y PD)...
D60	Recovery rate (RR)
D61	LGD (1-RR)
D62	Expected loss (lifetime, for the entire portfolio)
D63	Unexpected loss (lifetime at 95% Confidence Level)
D70	Portfolio default correlation
D71	Country/-ies of operation
D72	Sector(s) of operation

Discloses information about the underlying portfolio at the EU – IP level, i.e. directly benefiting from the InvestEU guarantee

The amount shall reflect the size of the IP's portfolio covered under InvestEU, also in case of intermediated operations.

IP internal ratings (or external ones, if such are used) shall be mapped to the InvestEU Common Rating Scale (ref. Risk Mapping guidance, InvestEU Wiki)

Coded cells, corresponding to input fields from the Financial Contribution calculator

Colour-coded cells indicate changes after the 1st InvestEU Call

- Input data are required for each Financial Product proposed by the IP, including for Top-ups
- In some cases, IPs can provide a range instead of single values / precise estimates (i.e. WALs, RR)

Risk Template Structure (2/4)

Guarantee structure for **DIRECT** operations



Guarantee structure	
COM-IP	
D73	EU Guarantee to IP
D74	EU individual guarantee
D75	<i>of which Blending</i>
D76	FLP/tranche thickness (%)
D77	IP share in FLP/tranche (%)
D79	Mezzanine tranche thickness (%)
D80	Attachment point (%)
D81	Detachment point (%)
D82	IP share in mezzanine tranche (%)
D84	Senior tranche thickness (%)
D85	Attachment point (%)
D86	Detachment point (%)
D87	IP share in Senior tranche (%)
D88	<i>aggregate tranche thickness</i>
D89	Total IP financing
D90	<i>EU guarantee share of total IP financing</i>

Pari passu direct products shall be presented as having a 100% FLP, with respective shares of the EU and IP indicated in the latter parts of the RT

Any tranching that cannot be clearly explained in the RT shall be supported by additional information / diagrams or breakdowns.



Note: The copied RT excerpt represents select cells

Risk Template Structure (3/4)

Guarantee structure for intermediated operations



Invest EU (COM) → IP

Guarantee structure	
COM-IP	
D73	EU Guarantee to IP
D74	EU individual guarantee
D75	<i>of which Blending</i>
D76	FLP/tranche thickness (%)
D77	IP share in FLP/tranche (%)
D79	Mezzanine tranche thickness (%)
D80	Attachment point (%)
D81	Detachment point (%)
D82	IP share in mezzanine tranche (%)
D84	Senior tranche thickness (%)
D85	Attachment point (%)
D86	Detachment point (%)
D87	IP share in Senior tranche (%)
D88	<i>aggregate tranche thickness</i>
D89	Total IP financing
D90	<i>EU guarantee share of total IP financing</i>

Sections disclosing information about tranches at both levels of intermediated products

IP → Financial Intermediaries (FI)

IP-Fin. Intermediaries (indirect products only)	
D91	Guarantee structure IP-Fin.Int (capped/uncapped)
D92	IP Guarantee to Fin.Int
D93	Attachment point (%)
D94	Detachment point (%)
D95	Fin.Int share in FLP (%)
D96	<i>IP share in FLP tranche (%)</i>
D97	Fin.Int share in senior tranche (%)
D98	Total Fin. Int. financing portfolio

Risk Template Structure (4/4)

Technical and Newly Added Parameters



Financial Contribution	
D99	CRR / Basel approach (IRB or SA)
D100	Asset Class
D101	IP Financial contribution (amount)
D102	IP Financial contribution (% EU of Guarantee)

The FC is determined with a common methodology and calculated with an Excel-based tool, available on the InvestEU Wiki

IPs are expected to provide Financial Contribution (FC) calculations during the application submission stage and once the IP's application is approved.

D104	Discount Factors
D105	Ramp-up period
D106	Risk Adjusted Duration
D107	Asset Class
D108	Maturity - Senior tranche
D109	Maturity - Junior tranche
D110	Delinquency rate - W
D111	Annual Sales

Further information, relevant for the assessment of the provisioning, remuneration and FC

D112	Internal IP equity scoring / evaluation criteria
D113	Funding costs' rate estimate (for equity products)
D114	Cash Flow estimate (for equity products)

Additional data, for equity products

Additional input information required from applicants with equity products to illustrate better the scope and riskiness of their operations.

Questions & Answers



Thank you



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Please find the recorded webinar on the following links:

<https://webcast.ec.europa.eu/webinar-on-the-2nd-calls-for-expression-of-interest-on-18-january-2024-key-elements-and-legal-documentation>

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