

Conclusions

FO Green Mobility and Transport

INVEU-ICR-0096-2023 – Sustainable Infrastructure and Research, Innovation and digitalization Windows (SIW-RIDW)

Short description of the financing or investment operation and its objectives

Name of financial recipient	To be determined at sub-project level
Type of the final recipients	Special Purpose Vehicle/Project Company, SMEs (including Micro Enterprise), Mid-Caps, Large Corporate
Countries of implementation	Denmark; Estonia; Finland; Iceland; Latvia; Lithuania; Norway; Poland; Sweden
Implementing partner	Nordic Investment Bank (NIB)

The aim of the Framework Operation is to provide debt financing to sub-projects in the transport and mobility sector. The Framework will primarily support investments in the decarbonisation of the transport sector and promote cleaner and safer mobility to bring an important contribution to climate change mitigation. The Framework can also address investment needs related to the development of the TEN-T infrastructure, other inland waterways, inland and sea - ports as well as multimodal transport and digitalisation investments aimed at GHG reduction and safety.

In the context of green mobility transition, the Framework Operation shall cover sub-projects related to the development, manufacturing and operation of all eligible green transportation solutions as per the Guarantee Agreement product schedule, including the development and manufacturing of key components used for the production of such green vehicles and mobility solutions (e.g. batteries, fuel cells). The Framework can also include investments related to the production and supply of renewable and low carbon fuels for vessels and vehicles.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 8 December 2023 for the above-mentioned operation.

The sub-projects shall address the market failure of negative climate and environmental externalities, through reduction of greenhouse gas emissions as well as air pollution.

The operations involve higher level of risk, which could be associated with the exposure to immature markets, new business models and early-stage companies with a limited track record of operations. In certain cases, the higher level of risk is driven by credit terms and structural elements which would not be commonly accepted by NIB. (e.g. insufficient level of collateral cover, length of the tenor and/or grace period, higher risk financial metrics of the final recipients, position in the funding structure, refinancing risks) or risks related to the project

Conclusions

implementation (e.g. construction risk, technology risk). NIB's financing shall have either a crowding-in effect or fill market gaps where alternative financing sources are either scarce and/or prohibitively expensive. The tenor of the supported loans is expected to be longer than commonly offered in the market by the commercial lenders.

NIB acts as a complementary finance provider to commercial lenders and other finance providers. By providing longer tenor loans, often on an unsecured basis, NIB is expected to play a role of anchor financier which can contribute to the crowding in of other investors and improvement of commercial terms of the financing.