

Conclusions

Thematic green transition (InvestEU VD) debt PL¹

INVEU-ICR-0036-2022 – Sustainable Infrastructure & Research, Innovation and Digitisation

Short description of the financing or investment operation and its objectives

Name of the Promoter/Financial Intermediary	N/A to be determined at sub-project level.
Country(-ies) of implementation	Eligible InvestEU countries
Implementing partner	EIB

The purpose of this Framework Operation is to provide direct Thematic Finance solutions to innovative companies in the Policy Areas of "Sustainable Investments" and "Future Technologies".

The level of risk of the sub-projects under the proposed Framework Operation will be in excess of the risk capacity the EIB could take using its own resources. The operation could not be executed without the strong EU First Loss Piece support provided by InvestEU.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the EU guarantee on 8 July 2022 for the above-mentioned operation.

The EIB financing supports investments addressing the market failures and gaps associated with imperfect competition and incomplete markets for very innovative and still market-entry stage technologies, and those associated with positive environmental and knowledge externalities generation.

All investments in the programme loan are expected to contribute to the EIB Climate Action and Environmental Sustainability policy objective (80% of total project cost estimated).

The sub-projects to be financed under this programme loan will help the promoters to implement long-term innovation and commercialisation strategies usually entailing high investment risks.

The financing will enhance the promoters' technology edge and capabilities, and support the development and deployment of new technologies and innovative, higher value-added products and services leading to long-term sustainable growth and profitability.

The financing structure under this Framework Operation is designed to address high-risk investments that are requiring long-term capital, so the EIB is additional in terms of both

¹ PL stands for Programme Loan. The EIB Programme Loans are a delegation mechanism of the approval authority from the Board of Directors to the Management Committee for a series of sub-loans to multiple borrowers that are grouped together under one sector, policy objective or geographical region.

Conclusions

maturity and volume. A similar long-term financing structure is not available from other market players at comparable terms and/or within the same crucial timeframe. The EIB's expertise is pivotal in such transactions as they involve a highly customised structuring component, a key element of this innovative financing, and frequent monitoring to ensure consistency with policy objectives and implementation milestones.

The Investment Committee acknowledged the additionality of the Framework Operations, which is characterised by complementarity with existing products in the market as there are no similar financial products in the market to serve long-term investment plans with patient capital and a competitive risk-return profile. The operation could not be executed without the strong EU First Loss Piece support provided by the "Green Transition" Thematic Financial Product.

The Investment Committee highlighted, that the market failures and gaps are associated with imperfect competition and incomplete markets for very innovative and market entry stage technologies. Also, some large corporates require public support to be incentivised to share in the technological and demonstration risk entailed by new and potentially disruptive technologies they are developing.

The Investment Committee welcomed that the Framework Operation will facilitate and accelerate the emergence of breakthrough technologies supporting the roll out of green assets and business models in the EU Green Transition areas.