

Conclusions

Green Capped Guarantee Framework

INVEU-ICR-0085-2023 – Sustainable Infrastructure Window (SIW)

Short description of the financing or investment operation and its objectives

Name of financial recipient	To be determined at sub-project level
Type of financial intermediaries	Financial institutions, including commercial banks and leasing companies
Type of the final recipients	Special Purpose Vehicle/project Company, Small and medium enterprises (including Micro Enterprise), Midcaps, Large Corporate, Public sector entities/ Public-sector type entities and Mixed entities, such as public-private partnerships and private companies with a public purpose
Countries of implementation	Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, Slovenia
Implementing partner	European Bank for Reconstruction and Development (“EBRD”)

The Framework Operation will comprise capped unfunded portfolio guarantees to private commercial Financial Intermediaries in 12 Member States. It will target sustainable investments across all sectors under the EU Compartment of InvestEU, contributing to energy savings and CO2 emission reductions.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 6 December 2023 for the above-mentioned operation.

The Framework Operation will address a significant market gap related to decarbonisation, energy efficiency and energy dependence of the 12 targeted countries as well as addressing the issue of limited availability of financing resources designated for financing these areas. Indeed, providing a risk-sharing instrument to financial intermediaries (local banks, leasing companies) that are best placed to meet the investment financing needs, scale up and reach out to a multitude of specialised final recipients, such as SMEs or mid-caps will help implementing sustainable energy projects across industry sectors, bringing energy saving benefits to a large number of end-borrowers.



Investment Committee of the InvestEU Fund

Meeting no. 21
6-8 December 2023

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By providing capital relief on the EBRD risk, the Framework Operation will support Financial intermediaries in expanding their lending capacity and incentivising them to prioritise and upscale high-performing sustainable investments.

The additionality of the Framework Operation lies, among other aspects, in the capital relief on the EBRD risk share of the portfolio it will bring to financial intermediaries in order to optimise their risk weighted assets structures, and thereby expanding their lending capacity alongside incentivising them to prioritise and upscale high-performing sustainable investments.

Moreover, the design of the capped guarantee and the exclusive green specific eligibility criteria for investments will ensure that the guarantee is used to generate sustainable financing activity that would not be undertaken at the same scale or at the same conditions in the absence of the guarantee.

The Investment Committee appreciated the good geographical coverage of the operation.