

Conclusions

Framework operation #7 for Social Impact Equity Product INVEU-ICR-0043-2022 – Social Investment and Skills Window

Short description of the financing or investment operation and its objectives

Financial intermediaries	Typically impact funds established in Member States with strategies pursuing any of the target areas under the Social Impact Equity Product.
Final recipients	Social enterprises, impact-driven enterprises and social sector organisations.
Countries of implementation	EU27, with main focus on Western, Southern European regions and the Nordics.
Implementing partner	EIF

Framework Operation supporting investments into financial intermediaries that in turn target social enterprises, impact-driven enterprises, social sector organisations. It supports any of the above in the area of skills, education and training

Global Assessment and rationale for approval

The Investment Committee (IC) of the InvestEU Fund approved the use of the InvestEU guarantee on 7 July 2022 for the above mentioned operation.

The Investment Committee considered, regarding **current market situation**, that social impact investment funds represent an emerging investment space, even in the most advanced ecosystems. Further development of the impact investing market depends on two critical factors: (i) the availability of sufficient capital to develop impact driven enterprises, and (ii) the establishment of impact intermediaries equipped with skills and competences towards their portfolio companies in the development of their business models.

However, the social impact investing market is still perceived by investors as risky, however EIF has developed the necessary level of expertise and track record in the space to maximize the impact performance while minimizing the financial risk of social impact investments.

In terms of **additionality** the IC recognises that operation foresees the provision of equity with high risk tolerance, to support both nascent and more established managers. EIF expects to invest significant stakes in impact intermediaries

EIF aims to provide structuring input and foresees to help financial intermediaries in the strengthening of their impact methodology.



Investment Committee of the InvestEU Fund
Meeting no. 6
7 – 8 July 072022

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The IC also appreciates EIF's catalytic effect in the social impact equity ecosystem has been historically very significant, being a cornerstone investor in a big proportion of deals. EIF's investment is as well expected to attract new categories of investors to the generally underfunded EU social impact VC/PE market.