

Conclusions

European Green Deal Innovations (InvestEU VD) PL¹

INVEU-ICR-0031-2022 – Research, Innovation and Digitation Window

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 Standard Venture Debt (SVD) to innovative companies developing "European Green Deal innovations" projects. Examples fields include energy, modernisation and decarbonisation of the industry, sustainable and smart transport and mobility, circular economy, sustainable ICT and digital climate technologies such as energy efficient supercomputing, AI and blockchain algorithms, increased lifespan of digital devices, circular performance of ICT, R&D of novel digital climate tech, supercomputing for earth observation, precision agriculture, big data solutions for agriculture and semi-conductors.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU 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 (50% of total project cost estimated).

The sub-projects to be financed under this Framework Operation 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.

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.

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The financing structure under this equity-type operation is designed to address high-risk investments that are requiring long-term capital, so the EIB is additional in terms of both 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 quasi-equity 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 was reassured about the criteria for placing the sub-projects in the Framework Operation based notably on risk taking capacity, maturity of the technology and solidity of the company. The Committee welcomed the Framework Operation entering in the field of traditional VC sectors.