

Conclusions

Increase of Framework Operation #33 for Sustainability Guarantee Product - Greece InvestEU Member State Compartment (Capped Guarantee) (Greece)

INVEU-ICR-0007-2024 – Sustainable Infrastructure Window (SIW) and SME Window (SMEW)

Ref. INVEU-ICR-0072-2023

Short description of the financing or investment operation and its objectives

Type of the financial intermediaries	Mostly commercial lenders (typically banks)
Country of implementation	Greece
Implementing partner	EIF

The Framework Operation is an increase of the existing Framework Operation #33, supporting of Sub-Projects aiming to enhance access to finance for sustainable enterprises and support investments contributing to the green and sustainable transformation of the Greek economy.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 1 February 2024 for the above-mentioned operation.

The Framework Operation will address Greece's current challenges in supporting investments in green transitioning, energy efficiency and renewable energy production, it will address Greek market failures related to greenhouse gas emissions in the building sector and green investment gap. It will accelerate the reduction of emissions through energy efficiency of residential and commercial building, thus contributing to climate policy and carbon neutrality. Apart from the environmental savings, the building renovation investments will contribute to the economic recovery, through job creation in the construction sector, savings on energy bills, healthier living conditions and reduced energy poverty. Furthermore, the Framework Operation will address Greece's need to increase the share of renewables in the energy mix, while reducing its long-standing reliance on solid fossil fuels. In line with the Recovery and Resilience Plan, it will help thus reducing the high investment gap in Greece economy in contributing to private investment focusing on projects promoting green transition.

The additionality of the Framework Operation lies on the financial support EIF will bring to intermediaries for them to invest in green and sustainable technologies, by offering lower transaction costs, interests' rates and collateral requirements. The EU Guarantee will allow EIF to develop its Sustainability Guarantee Product to enter into guarantees with financial intermediaries supporting higher risk category final recipients, thus supporting a growing ecosystem at a scale that would not be possible or not to the same extent. Thus, it is directly
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in line with the Recovery and Resilience Plan to support green transition, according to key areas policies identified in 2019 and 2020 CSRs.

Sub-Projects are, therefore, expected to support financial intermediaries, which, in turn, would support final recipients aimed at covering the market gap driven by the inability for target final recipients having sustainable market practices due to increased costs and risks and, thus, excluded from traditional capital markets.

Due to demonstrated high market demand the Investment Committee considered an increase of the framework operation justified.