

**InvestEU Scoreboard**  
**(to be published after the signature of the operation)<sup>1</sup>**

**Presentation of the financing or investment operation:**

**Implementing Partner:** European Investment Fund (EIF)

**Name of the Operation:** Cassa Depositi e Prestiti S.p.A. (“CDP” or the “Intermediary”) – capped counter-guarantee

**Type of approval:** Individual financing or investment operation

**Country(-ies) of implementation of the operation:** Italy

**Short description of the financing or investment operation:** The Operation is a capped (counter-)counter-guarantee expected to benefit from the following InvestEU products:

1. **SME Competitiveness Guarantee Product**, under the SME Window
2. **Cultural and Creative Sector Guarantee Product**, under the SME Window
3. Microfinance, Social and Skills Guarantee Product – **with focus on the Skills segment** - under the Social Investments and Skills Window.

Under this Operation, CDP aims to (i) renew its risk-taking support to SMEs (not offered in absence of a third-party counter-guarantee), including in the area of Cultural and Creative Sectors (“CCS”), and (ii) venture into a new area, launching a new product targeting Skills & Education.

The Operation will be structured in the form of a counter-guarantee, based on which CDP will provide risk coverage to sub-intermediaries.

**Public Statement**

Eligible areas for the Operation in accordance with Annex II to the InvestEU Regulation:

With respect to the **SME Competitiveness Guarantee**:

- **Item 7 of Annex II of the InvestEU Regulation:**

*financial support to entities employing up to 499 employees, with a particular focus on SMEs, and small mid-cap companies*

With respect to the **Cultural and Creative Sector Guarantee**:

- **Item 7 of Annex II of the InvestEU Regulation:**

*financial support to entities employing up to 499 employees, with a particular focus on SMEs, and small mid-cap companies*

- **Item 8 of Annex II of the InvestEU Regulation:**

*cultural and creative sectors, cultural heritage, media, the audio-visual sector, journalism and press*

With respect to the **Skills, Education and Training Guarantee**:

- **Item 7 of Annex II of the InvestEU Regulation:**

*financial support to entities employing up to 499 employees, with a particular focus on SMEs, and small mid-cap companies*

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<sup>1</sup> The Investment Committee Secretariat shall liaise with each Implementing Partner in order to identify the financing or investment operations or sub-projects, which have been signed and for which the relevant Scoreboard shall be published in line with Article 24(5) of the Regulation.

**- Item 12 of Annex II of the InvestEU Regulation:**

*social investments, including those supporting the implementation of the European Pillar of Social Rights, in particular though education, training and related services, including for adults.*

EIF expects to support intermediaries in originating final recipient transactions (debt financing) which meet the enhanced access to finance measures described in the InvestEU Call for Expression of Interest published on EIF's website. In this context, CDP will target a market segment (guaranteeing SME debt financing) which was not previously provided for in the absence of the EU guarantee support.

The use of the InvestEU Guarantee allows EIF to enter into (counter-guarantees) with financial intermediaries supporting final recipients operating in IEU policy priorities areas, which would have remained underserved due to lack of programmes targeting these specific policy areas at such scale.

Thanks to InvestEU support, CDP would be in the position to take direct SME credit risk exposure by providing capped (counter-) guarantees, on eligible SME debt financing supported or provided through selected sub-intermediaries for the benefit of Italian SMEs.

InvestEU support is expected to encourage the Intermediary to go beyond the limitation of its current credit policies and guaranteeing practices, enhancing access to finance for SMEs in a way which would have not been offered in the absence of the InvestEU guarantee.

The said limitations in accessing finance are even more noticeable in the particular areas of Cultural and Creative Sectors as well as in the Skills, Education and Training space. With respect to these activities, market participants are unwilling to provide much needed financing to SMEs in consideration of their perceived higher credit risk (due to, inter alia, the intangible nature of companies' assets) or their lack of understanding of the sector overall.

The EU Guarantee will enable CDP to launch for the first time a new (counter-)guarantee product designed at enhancing access to finance in the areas of Skills, Education and Training.

Access to finance is one of the main issues that SMEs face in Europe. As reported in a recent EIF study, nearly one in three SMEs report severe difficulties in accessing finance. Many SMEs with economically viable projects cannot obtain the necessary financing from financial institutions, as they tend to be reluctant to extend uncollateralised credit to SMEs, even at high interest rates. The SME financing gap exists as the market is not able to supply a sufficient amount of external financing to SMEs. This market failure, resulting in a sub-optimal equilibrium outcome is rooted in the existence of information asymmetries.

According to the latest ECB SAFE survey, debt financing is considered a relevant source of financing for SMEs in Europe (82% according to the latest SAFE survey). The percentage varies across EU Member States, with Italy standing at 85%.

Yet, smaller enterprises continued to be more vulnerable than larger companies. While the percentage of medium-sized SMEs that can be considered vulnerable remained at 3%, it increased to 5% (from 4%) for small firms, and to 7% (from 5%) for micro firms.

The palette of EIF InvestEU Guarantee Products aims at addressing this market failure, within the targeted scope of certain policy areas where these are specifically present (small and micro SMEs, cultural and creative sectors, skills, education and training etc.).

The financial gap in respect of the availability of external finance for cultural and creative sectors was confirmed by an independent feasibility study and is addressed in the Creative Europe Programme impact assessment. The market gap in the credit area has been estimated in the range of EUR 2.51bn – EUR6.22bn over three years, or EUR 837m – EUR 2.07bn per year. This operation aims to enhance access to finance to enterprises engaged in CCS activities.

A massive investment in digital and green skills is needed to accommodate the shift towards a climate neutral Europe and digital transformation. Many will need to acquire new skills and move to new jobs in a different sector of economy. More will need to upskill to preserve their job in a new work environment. For example, meeting the overarching adult learning participation target set in the Skills Agenda (at least 50% by 2025) would come at an estimated additional investment of EUR 48bn annually.

Insufficient financial resources are a major barrier to accessing education and training and creates unequal chance to education. For young people, access to education in many EU countries relies too heavily on parental social background and financial standing. At the same time, access to finance remains an issue for European SMEs, with around 18% of SMEs reporting to be seeking external finance for hiring and training employees. The lack of such finance coupled with the research which shows that employers' investment in learning is key to increasing the availability and participation of adults in learning programmes, constitutes a significant barrier to skills development.

EIF will extend a (counter-)counter-guarantee to a financial intermediary that in turn provides (counter-)guarantees which meet the enhanced access to finance measures.

EIF will provide a (counter-)counter-guarantee to CDP that will allow CDP to take SMEs' risk, offering a (counter-)guarantee to eligible sub-financial intermediaries.

CDP is expected to make the support available to all the Italian banking system scaling up financing channels across Italy, including in more niche areas such as CCS and Skills and Education.

**Pillar 3 - Market failure or sub-optimal investment situation addressed by the financing or investment operation (Very Good)**

**Pillar 4 - Financial and technical contribution by the Implementing Partner (Very Good)**

**Pillar 5 - Impact of the financing or investment operation (Very Good)**

**Pillar 7 - Complementary indicators**

**Operation-specific indicators**, estimated based on the "InvestEU Leverage and Multiplier Effect Calculation Methodology" as approved by the InvestEU Steering Board.

- (a.1) Leverage effect: Indicatively c. 33x
- (a.2) Multiplier effect: Indicatively c. 46x