

Conclusions

Framework operation #36 for Climate and Infrastructure Funds Product (Multi-country)

INVEU-ICR-0074-2023 – Sustainable Infrastructure and Social Investment and Skills
Windows (SIW-SISW)

Short description of the financing or investment operation and its objectives

Type of the financial intermediaries	Financial intermediaries established in EU27, Norway or Iceland
Type of final recipients	Special Purpose Vehicles/project Companies, SMEs, Mid-Caps, mixed entities, such as public-private partnerships (PPPs) and private companies with a public purpose
Countries of implementation	EU-27, Norway and/or Iceland
Implementing partner	European Investment Fund (EIF)

The Framework Operation will aim at addressing backbone infrastructure and industrial ecosystems in clean energy generation, sustainable transport, environment, digital connectivity, and social infrastructure. It will target investments focusing on new /greenfield projects or existing projects in need of significant capex for growth and decarbonisation.

With the intention to address underserved markets and nascent sub-sectors such as social infrastructure, green hydrogen, storage and digital infrastructure. Sub-Projects will focus on first-time and emerging teams.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 9 November 2023 for the above-mentioned operation.

The Framework Operation addresses market failures related to climate change mitigation and lack of investments in **renewable energy production** within EU. Thus, it will help addressing issues around security of energy supply by focusing on investments in **energy efficiency** as well as targeting **clean transport infrastructure's** investments.

Regarding **digital transformation**, the framework operation will address the regional disparities in Europe and the lack of investments in new and upgrading of existing

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infrastructure due to significant investment costs, particularly in scarcely populated regions, and uncertain revenue flows.

Regarding the **social infrastructure sector**, investments will address several market failures such as the incompleteness of information regarding the provision of health services, mismatch between skills demand and skills supply in the education sector and social inclusion in the social and affordable housing sector.

Regarding the **land remediation** space, investments will address incomplete information on status of contaminated sites as well as market failures related to the reluctance to accept brownfield sites as collateral for loan financing.

The additionality of the Framework Operation will be in the form of equity, thus supporting greenfield infrastructure investments in the underlying investments and relying on the market gap at project development stage as well as higher risks sectors. Sub-Projects will target, beyond a level normally accepted by private investors. This includes technology risks (e.g., in the area of green hydrogen or energy storage where technologies are yet to be proven economically viable at scale). As such, sustainable infrastructure underserved geographies or sectors will especially be targeted.

In addition, EIF is expected to play an important role in the strong catalytic effect on more diverse and institutional investors in support of the existing or novel funds, especially in regard of the current difficult fundraising environment in this sector.