

Conclusions

Clean Energy Transition

INVEU-ICR-0030-2023 – Sustainable Infrastructure + Research, Innovation and Digitisation Windows (SIW+RIDW)

Short description of the financing or investment operation and its objectives

Type of the final recipients	Special Purpose Vehicle/Project Company SMEs (including Micro Enterprise) Mid-Caps Large Corporates
Countries of implementation	Denmark; Estonia; Finland; Latvia; Lithuania; Poland; and Sweden.
Implementing partner	Nordic Investment Bank (NIB)

This Framework Operation will provide debt financing to sub-projects related to the installation of new renewable energy generation capacity (primarily wind, solar, hydro, geothermal and biomass), to the development of the energy transmission and storage infrastructure necessary to facilitate the integration of the renewables into the energy system, production and use of low-carbon fuel (e.g. green hydrogen or biogas) for the decarbonisation of industrial processes (e.g. steel, non-ferrous metals, cement and other non-metallic minerals, chemicals (including fertilisers) and mobility or as integral part of the energy system.

This operation will also support investments in the area of energy efficiency carried out by the industry and services sectors, to projects related to energy efficiency renovation of existing buildings, construction of new highly energy efficient buildings (only when exceeding national nearly zero-energy buildings standards), and modernisation of buildings based on smart ready technologies including its integration into a connected energy, storage, digital and transport system also through the deployment of infrastructure for e-mobility in line with Directive 2010/31/EU. Finally, sub-projects may cover other clean energy transition actions, for instance the deployment of low-emission technologies such as carbon capture, transport, storage and/or use (CCUS) technologies.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 12 May 2023 for the above-mentioned operation.

The Framework Operation addresses important market failures. On one hand, sub-projects shall address the market failure of negative climate and environmental externalities, through reduction of greenhouse gas emissions as well as air pollution. On the other hand, as sub-projects are expected to bear a higher level of risk and may target investments by firms in early stage of operation or focusing on higher risk activities, including the SMEs and small mid-cap

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companies, this Framework Operation will also address the market failure / suboptimal investment situation.

The Investment Committee recognised the additionality of the Framework Operation. The operation is set up to provide financing support to operations in the area of clean energy transition aimed at reduction or avoidance of greenhouse gas emissions. The sub-projects to be included in the Framework Operation are expected to be characterised by higher risk profile than generally accepted by NIB's own standard activities and/or to expand NIB's own capacity to finance such operations. NIB's financing shall have either a crowding-in effect or fill market gaps where alternative financing sources are either scarce and/or prohibitively expensive. In certain markets, the additionality of NIB's involvement consists in contributing to the development of markets with less available alternative funding sources and less track record in structuring long term financing for renewable projects development (e.g. Baltics and Poland). Finally, the InvestEU support would enable NIB to exceed its own lending capacity to support sub-projects.