19.7.2019

**Draft roadmap**

**InvestEU risk experts working group**

***Purpose:***

Establish a risk methodological framework that includes a methodology to estimate the financial risk borne by the EU guarantee and a risk mapping system related to the financing and investment operations of the implementing partners in order to allow operations from different implementing partners to be assessed in a comparable manner along a common rating scale, as well as discuss risk-revenue sharing models and derived risk reporting requirements.

***Work programme:***

1. **Methodology for the mapping** **of individual rating systems to a common rating scale**

*Discussion based on a document/proposal by the EIB building on the EFSFD/GTAG experience*

1. **Typologies/models of risk-revenue sharing mechanisms**

*Elements needed:*

* *What type of operations are entering into the portfolio (debt, equity)?*
* *How is the InvestEU guarantee structured (FLP, Mezzanine, etc …)?*
* *How is the waterfall designed?*
* *How is the alignment of interest ensured?*
1. **Remuneration of the EU Guarantee and pricing to final recipients: main principles**

*Discussion based on a Commission paper setting out main principles and possible alternative options*.

1. **Risk profile parameters of the scoreboard**

*Discussion based on a Commission paper*

1. **Risk methodological framework**

*Discussion based on Commission paper setting out a draft annotated table of contents including the following elements:*

* *Definition of the assumptions and methodology used by the Commission and the EIB to evaluate the risk of financial products proposed by the EIB Group and potential implementing partners.*
* *Definition of the set of data required by both the Commission for the guarantee management and the EIB for its risk management role*

*The risk methodological framework will be approved by the InvestEU Steering Board. A draft should be in place for mid-2020 to inform the discussions on financial products following the call for expression of interest.*

1. **Presentation of the risk appetite of the Commission**

***Working method:***

* Potential implementing partners' experienced risk experts to participate
* Target participation: up to 10 people
* A series of 5 to 10 meetings to be held alternatively in Brussels and Luxembourg (or where appropriate other locations) with VC link to participants unable to attend physically. No travel reimbursement by the Commission.
* Documents to be sent at least 5 working days ahead of each meeting so as to leave enough time for preparation
* Comments to be directly inserted in the relevant documents on the wiki
* Commission organising meetings and distributing documents

***Date of first meetings:***

* First meeting between 16 and 20 September (invitation to follow)
* Further meetings at a monthly pace on a needs basis