The Member State compartment under Invest EU

- **Main provisions (Invest EU proposal)**
- Voluntary use of the Invest EU guarantee framework by Member States
- Using ESIF to provision the guarantee (expected loss)
- To address market failures / suboptimal investment situations
- Max 5% of ESIF budget

- **Main Benefits**
- No co-financing required from Managing Authority
- Facilitate ESIF absorbtion (stand-alone instrument with a project portfolio approach, national or regional level deployment)
- More flexibility in terms of instrument management (off the shelf guarantee agreements if desired, tailor-made instruments also possibe, less restrictive approach for state aid)

The Member State compartment under Invest EU

- **ELTI Position**

Make sure the Member State compartement is **appealing** and **flexible** for Managing Authorities and Member States :

- Better capture Managing Authorities in the Invest EU text + including a reference to ring fenced operations in case of Regional contribution
- Ensure flexibility for the design of the guarantee :
    - Possibility to have NPBIs, or private investors as counter guarantor (for unexpected loss) as an alternative to Member States
    - Possibilty to couter-guarantee ESIF contribution if desired
- The 5 % cap on ESIF use in the Member State compartment is unclear: should be applicable to the 7 year-period and not be an annual cap (with less funding in case of mid term implementation)