



InvestEU Advisory Board Plenary composition

28 April 2022



1. Welcome

Giorgio Chiarion Casoni
Teresa Czerwińska



House-keeping rules

- This meeting is not recorded
- Minutes of the meeting will be drafted by the Secretariat of the Advisory Board and circulated for comments by 15/05/2022
- Kindly mute your microphones as you enter the meeting and when not speaking. The host reserves the right to mute participants
- Kindly use the chat function to let us know that you would like to speak
- Kindly use your full name, otherwise the Secretariat of the Advisory Board may contact you to confirm your identity



2. Adoption of the agenda

Giorgio Chiarion Casoni



3. State of play of the implementation of the InvestEU Programme



3.1 Guarantee Agreement between the Commission and the EIB Group

Giorgio Chiarion Casoni
Fotini Koutzoukou (EIB)
Laurent Braun (EIF)



State of play

- The InvestEU GA between the Commission and the EIB Group signed on 7 March 2022
- The Advisory Agreement (AA) with EIB signed on 4 March 2022
- The Investment Committee approved a first series of operations on 31 March 2022
- In April, the EIF has submitted its first operations for the Policy Checks and published its call for financial intermediaries for [guarantees](#) and [equity products](#)
- The Commission and EIB Group are preparing a redacted form to be made available upon request



7



CONFIDENTIAL

EIB and EIF share in all the 4 policy windows

- EIB and EIF = main partners
- Guarantee of EUR **19.6bn**, split between the EIB and the EIF:
 - **EIB** – EUR **8,56 bn**
 - **EIF** – EUR **11,06 bn**



8

Policy objectives meet the market (I)

1. Main policy priority areas for EIB will represent 80% of operations
2. Thematic products with higher risk coverage for particular high priority policy areas
3. Detailed products for EIF to be implemented through intermediated financing
4. Ex ante State aid consistency clearance
5. Allocation of the guarantee under the 4 policy windows in line with deployment expectations
6. Climate objective of 30% for the overall InvestEU Programme (60% climate and environmental target for Sustainable Infrastructure window)

9

Policy objectives meet the market (II)

- Framework operations;
- Policy dialogue in the implementation period;
- Unallocated portion of the EU guarantee to meet developing needs;
- Article 19 procedure for EIB operations;
- Policy check for EIF operations;
- Investment Committee approval.

10

CONFIDENTIAL

Key factors to take into account for implementation

1. InvestEU has a **highly challenging front-loaded delivery profile**
2. The **complementarity** between the products of the IPs will be decisive to the success of InvestEU
3. Demand driven rollout with a **strong policy steer**
4. Policy horizontal orientations (e.g: Scale up, MEIC- moderate or emerging innovator countries, Gender smart)

11

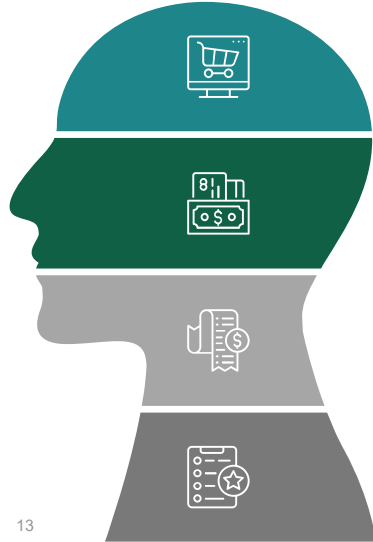
CONFIDENTIAL

EIB

12

CONFIDENTIAL

Major breakthrough innovations



13

1

MERGER WITH LEGACY PORTFOLIOS

Avoids cliff-edge post 2024; Increases fire-power in financing;
Mitigates ramp-up risk; Simplifies admin and audit.

2

FIXED GUARANTEE PRICE FOR GENERAL DEBT

Enables level playing field with other IPs re uniform guarantee pricing;
Reduces operational risk.

3

TRANSFER RATE FLP MODEL

Operation specific allocation of FLP avoids over- or under- protection of portfolio (and related payment for such protection); Allows greater flexibility in origination; Closer alignment with build-up of EU provisioning.

4

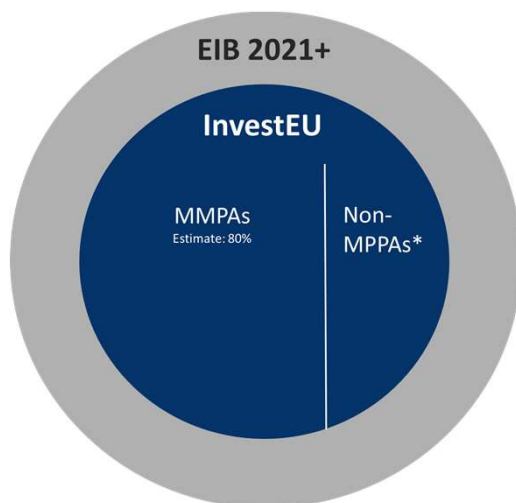
BLENDED VIA TOP-UPS*

Offsets smaller size of I-EU and ensures business continuity especially for thematic; Streamlined and cost covering mechanism; Rapid implementation; Ready-made alternative for less attractive combination proposals.

*Relevant also for the EIF

CONFIDENTIAL

Eligibility framework



14

Eligibility Framework

All policy areas of Annex II of I-EU Reg. With a few exceptions, similar to EFSI and EIB eligibility. Not restricted to SA.

Main Policy Priority Areas (MPPAs)

A combination of sectors and project features which the EC considers a priority. Grouped as follows:

- SIW: Sustainable Investments, Future technologies, Areas of strategic importance.
- RIDW: European Green Deal Innovations, Health, Future Technologies, Areas of strategic importance.
- SISW: Social infrastructure and services, Education and training infrastructure, Health infrastructure.

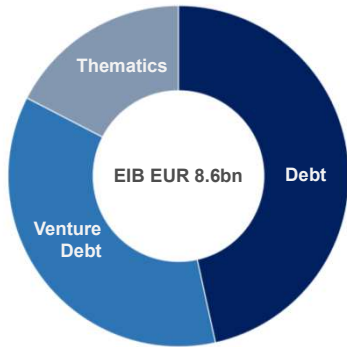
EIB 2021+ versus I-EU

- SMEs & Small Mid-Caps (without additional policy objective)
- Delinked financing (not Green)
- Large Corps in RIDW outside the MPPAs
- Manufacturing (outside the carve outs for State aid)

* Microfinance, Transport non-TENT, some Circular Economy, some Energy Efficiency

CONFIDENTIAL

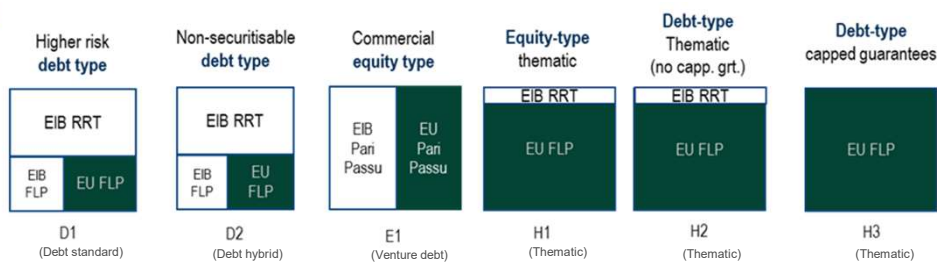
EIB financial product mix



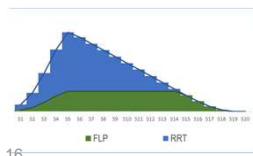
SIW	General Debt
	PF4EE
RIDW	Green Transition
	General Debt
	Thematic Innovation
SISW	General Debt
	Public Sector

CONFIDENTIAL

EIB risk sharing mechanism



Operations are allocated to **portfolios** catering for different risk sharing arrangements between the EIB and the EC (i.e. FLP, *pari passu* or very high coverage) regardless of their I-EU financial product (based on policy area).



An Operation is allocated to a portfolio via a **transfer rate**, which allows a gradual allocation of the EU guarantee (instead of static up front).

CONFIDENTIAL

Key areas of concern for implementation

1. InvestEU has a **highly challenging front-loaded delivery profile**. Framework operations will be critical for the success.
2. The **complementarity** between the products of the IPs will be decisive to the success of InvestEU.
3. An effective policy steering requires a spirit of **true partnership**. No “business as usual” but also taking into account that EIBG cannot create projects.

17

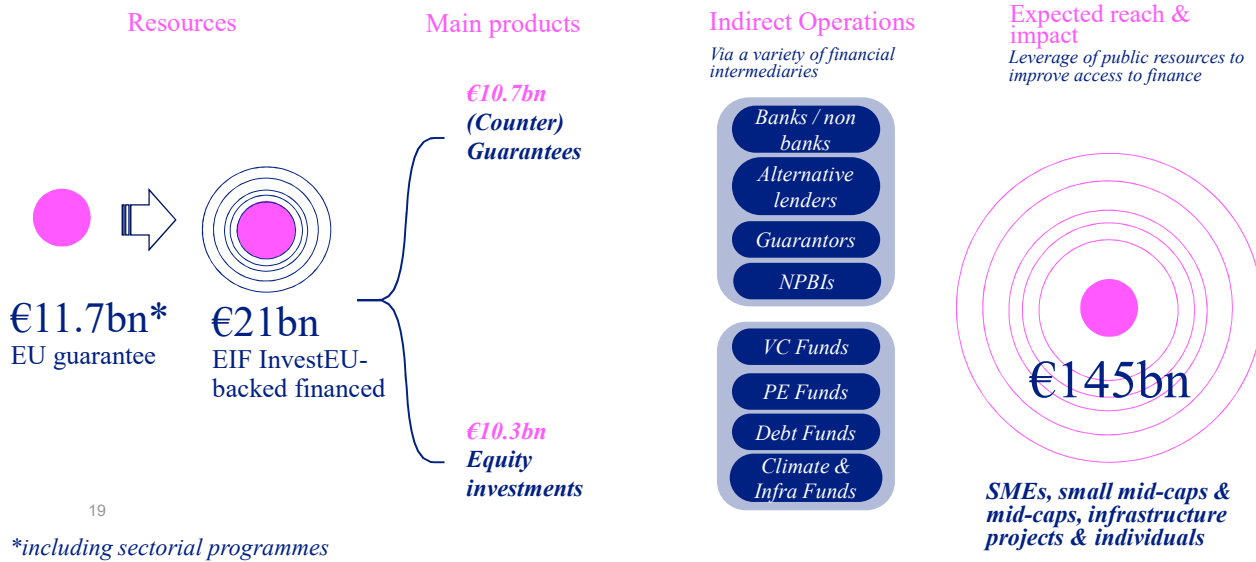
CONFIDENTIAL

The logo for EIF (European Infrastructure Fund) is displayed in a large, blue, sans-serif font. The letters 'E', 'I', and 'F' are stacked vertically and are separated by a thin vertical line on the left side.

18

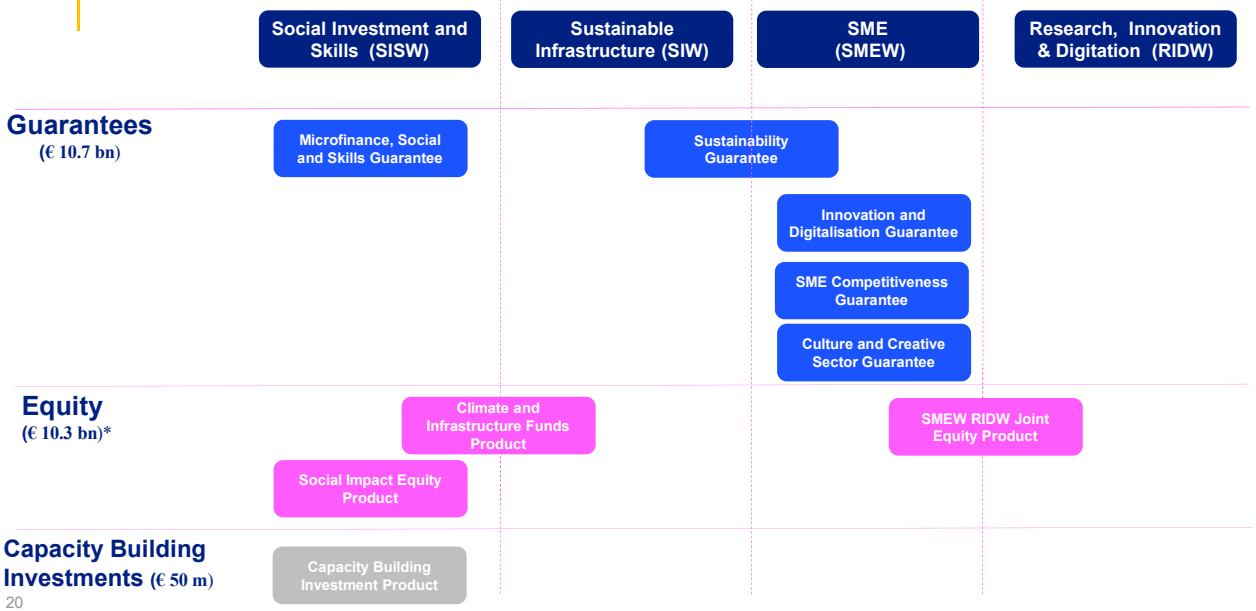
CONFIDENTIAL

The InvestEU value chain & impact



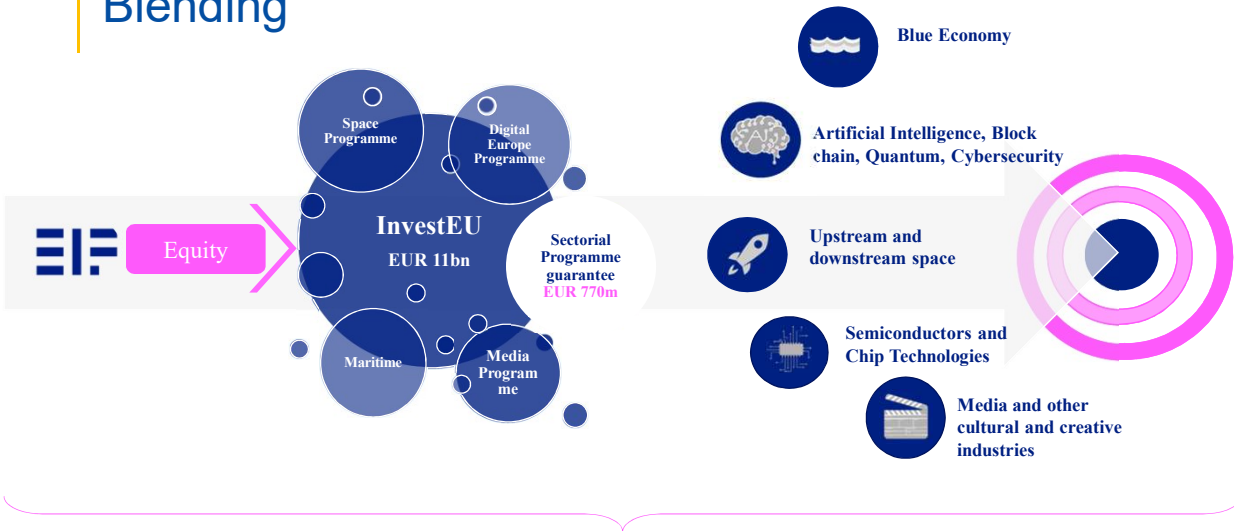
CONFIDENTIAL

EIF financial product mix



CONFIDENTIAL

Blending



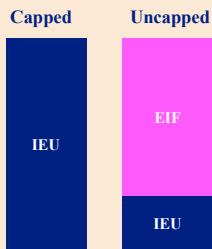
These constitute top-ups of InvestEU products - therefore are fully in line with treatment of InvestEU operations, i.e. no deviations

21

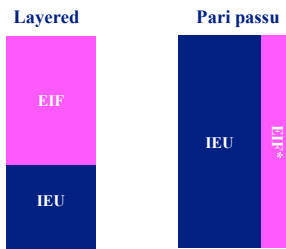
CONFIDENTIAL

Portfolios

Guarantees



Equity: VC/PE/Debt funds



Equity: Infrastructure Funds

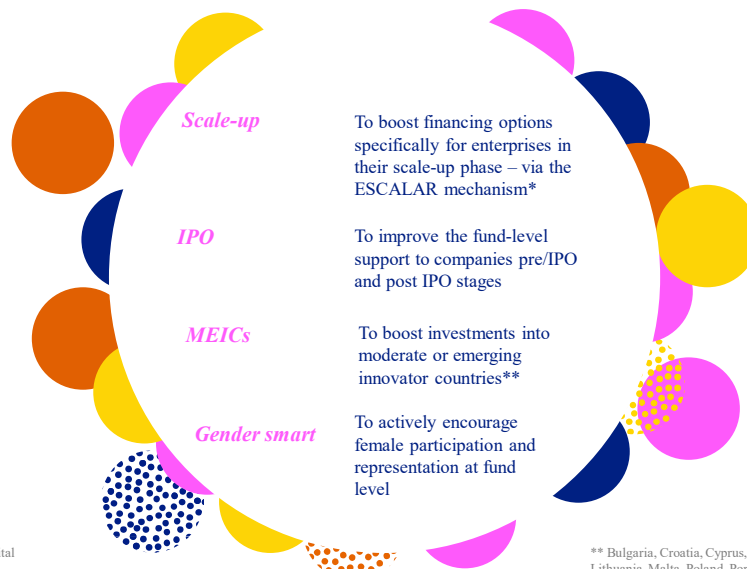


22

*EIF own resources and EIB managed resources

CONFIDENTIAL

Horizontal policy considerations



23

*European Scale-up Action for Risk capital

** Bulgaria, Croatia, Cyprus, Czechia, Greece, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, and Spain.

CONFIDENTIAL

Key takeaways

- ❑ **EIF Product definition**
 - ❑ Designed to tackle policy priorities and market failures
 - ❑ Homogeneous standardized products closely defined in the Guarantee Agreement
 - ❑ Parameterized - no ambiguity what is permitted at the level of operations (exhaustive terms - intermediary, size, risk taking of intermediaries, crowding in, etc.)
 - ❑ Well defined eligibility and requirements to be cascaded in the value chain
 - ❑ State aid consistent
- ❑ **Demand driven rollout but with policy steer**
 - ❑ Rollout based on the calls for expression of interest showcasing EIF products to be applied for
 - ❑ Selection of intermediaries by EIF based on investability/quality and fit with Invest EU (additionality, access to finance)
 - ❑ Products sized based on policy considerations and expected market demand
 - ❑ Within InvestEU budget and risk appetite – maximum sizes of portfolios defined
 - ❑ Certain flexibility to calibrate based on demand – policy review meetings with EC
- ❑ **Long value chain**
 - ❑ Intermediated model
 - ❑ Delegation to intermediaries/ sub-intermediaries
 - ❑ Ram up (new investments / loans to be originated over time)

24

3.2 Guarantee Agreements to be signed with the other Implementing Partners

Zsuzsanna Nagy

Catarina Dantas Machado



Main Characteristics

- Agreement Structure
 - (1) Main terms and conditions: non-negotiable and the same for all IPs
 - (2) Technical Annexes: Financial Products, Portfolios, specific for each IP
 - (3) Reporting requirements: standardized for all IPs
 - (4) Template for claims form
- Bilateral approach covering multiple financial products
- Based on the InvestEU Regulation, Financial Regulation and the applicable Guidelines (Investment Guidelines, Sustainability Proofing Guidance, the Climate and Environmental Tracking Guidance)



Key Provisions 1/4 Approval process

Article 5 Policy Check

Compliance check with EU law and policies by the Commission

Article 6 Eligibility Check

Applicable to Thematic products and Top-up Operations, 10 working days

Article 8 Investment Committee approval

Independent assessment in 4 policy windows

Article 10 Non-objection by the Commission

Applicable to Sub-Projects of Framework Operations in case of intermediated equity products, 10 working days



Key Provisions 2/4 General terms

Article 13 Scope and amount of the EU guarantee

- Amount of the EU Guarantee allocated to the IP
- Guaranteed Sums defined with regard to the products of the IP

Article 16 Terms of Payments

- Quarterly Claims Form, with a payment by the Commission no later than 30 calendar days

Articles 20-26 Policy priorities and eligibility criteria

- Applicable policy windows and policy targets
- Additionality and other eligibility criteria



Key Provisions 3/4 General terms

Article 27 Selection of Financial Intermediaries

- Open, transparent, proportionate and non-discriminatory procedure

Articles 38 and 39 Communication, visibility and transparency requirements

- Press releases
- Communications on the IPs website
- Publication of information on Final recipients and Financial intermediaries

Article 44 Stop Commitment Events

- Suspension of signatures in case of breach of obligations, fraud, bankruptcy, etc
- Possibility of termination of the agreement for the amount of the EU Guarantee not yet committed to Operations

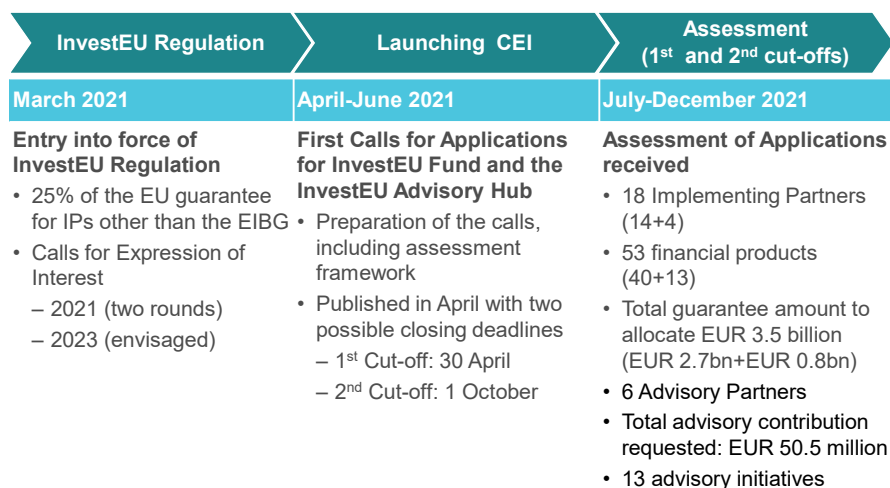


Key Provisions 4/4 Reporting (art. 30)

- Operational Reporting (Key Performance Indicators, Progress Report)
- Financial Reporting
- Risk Reporting
- State Aid Reporting (if/as applicable)



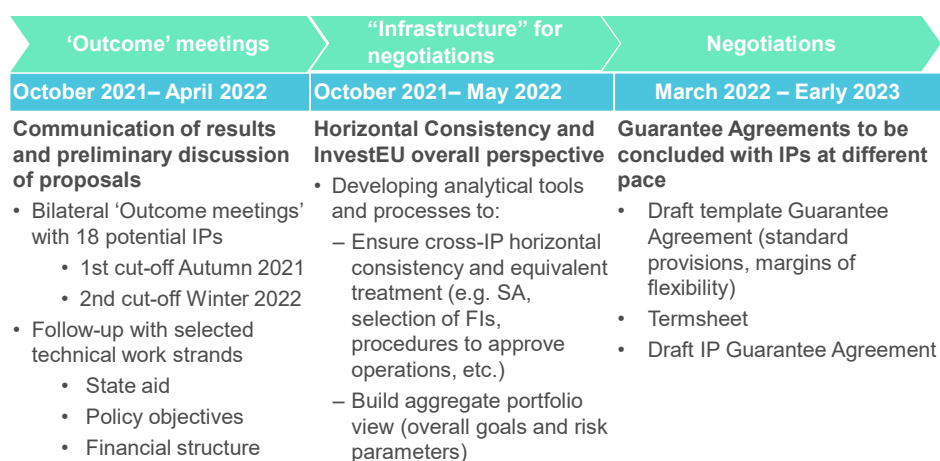
Timeline & Milestones



31



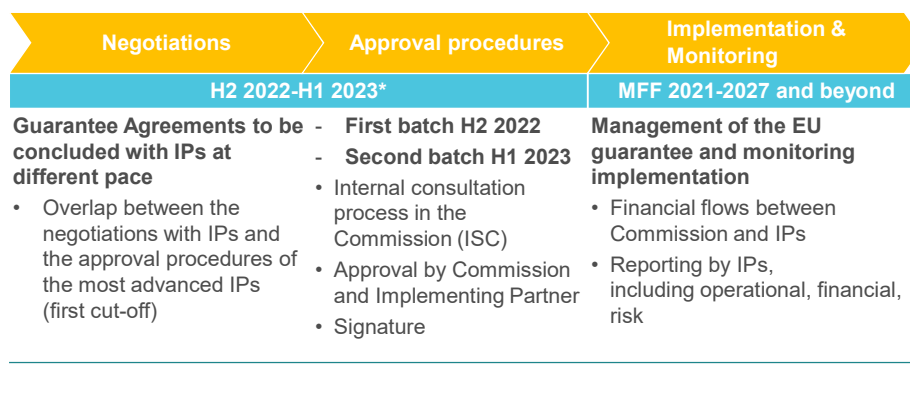
Timeline & Milestones



32



Timeline & Milestones



33



Ongoing developments

- Template GA to be shared with Implementing Partners (IP) (end of April/beginning of May)
- Detailed negotiations on financial products with some IPs (from April)
- Outcome meetings with IPs selected under second cut-off date (April)
- Finalisation of simplified credit risk model by Commission with support of Technical Assistance Unit of EIB (April / May)
- Seminar on Key Performance and Monitoring Indicators (KPI/KMI) (6 April)
- Webinar on Sustainability Proofing and information session on template GA (11 May)
- Working Group with IPs on best approach to meet NGEU deadlines (April/May):
 - Investment platforms, framework operations, optimisation of approval process, ...

34



4. Procedural questions

Giorgio Chiarion Casoni



Advisory Board Composition up to 30 April 2022

- The Advisory Board comprises one representative of each implementing partner, one representative of each Member State, one expert appointed by the European Economic and Social Committee and one expert appointed by the Committee of the Regions (Article 20(2) InvestEU Regulation).
- Article 2(13) of the InvestEU Regulation defines "implementing partner" as a financial institution with whom the Commission has concluded a guarantee agreement.
- In order to be able to constitute the Advisory Board from the start, the first Advisory Board members representing the implementing partners other than the EIB Group were appointed by the Commission after consultation of potential implementing partners. Their term is limited to one year, **i.e. 30 April 2022** (Article 20 (5) InvestEU Regulation).



Representation of potential Implementing Partners after 30 April 2022

Advisory Board Meeting

- The Chair proposes to invite to Advisory Board meetings as observers all potential Implementing Partners, which have been invited to negotiate Guarantee Agreements with the Commission.
- Each institution will become an Advisory Board member automatically upon signature of a Guarantee Agreement.

Advisory Board Subgroups

- Set up as a forum for discussion and exchange of best practices
- All potential Implementing Partners that in March 2022 expressed interest to participate in the three sub-groups will continue their participation after 30 April as “experts”

37



5 Launch of the Subgroups

Giorgio Chiarion Casoni
Mariela Chukanska
Advisory Board Secretariat



Latest developments

- **January 2022:** 3 subgroup topics to launch in 2022 identified, subject to Advisory Board final sign off
- **January – February:** Subgroups mandate definition
- **March:** Written procedure of the Advisory Board
 - ✓ comments on the Subgroup mandates received
 - ✓ call for expression of interest to participate; voluntary participation
- **March – April:** based on the written procedure
 - ✓ Mandates finalised
 - ✓ Subgroups composition defined
 - ✓ Results communicated to the Advisory Board
- **25 / 27 April:**
 - ✓ Constitutive meetings take place
 - ✓ Subgroups set up as forums for discussion and exchange of best practice



39

Mandate of the Advisory Board Subgroups

- Forum for discussion and exchange of best practices on specific issues of common interest within the remit of the Advisory Board
- Topics 2022 / 2023:
 - ✓ Energy Efficiency Financing Gaps
 - ✓ Social Infrastructure Investment
 - ✓ Gender Equality
- Temporary structures
- Voluntary participation following a call for expression of interest
- Chaired by an elected Advisory Board member among the Subgroup participants
- Secretariat managed by the Commission
- Key milestones / deliverables
 - ✓ May 2022 – mid 2023: Subgroups meetings led by the Subgroup Chairs / written exchanges
 - ✓ Autumn 2022: Interim report to Advisory Board (presentation)
 - ✓ Q2 / 2023: Final Report to the Advisory Board



40

Subgroup composition

- All Advisory Board members who expressed interest to participate, or nominated a representative of their institution
- Subgroups complemented with experts
- Diverse mixture of Subgroup participants representing



- Two different categories of participants
 - a) Advisory Board members
 - b) Experts

41



Subgroup composition in figures

Subgroup	Member States / EFTA Countries	Implementing partners	Potential Implementing partners	Commission experts
Energy Efficiency Financing Gaps	13 participants 10 Member States AT, BG, CZ, ES, IE, LV, HU, PL, RO, SI 1 EFTA country – NO	5 participants 2 Implementing Partners EIB, EIF	16 participants 13 potential IPs CDC, CDP, EBRD, CEB, RCGF, PMV, BDB, FMFI, MDB, CDTI, SERB, SCBI, SEF	4 participants 2 DGs ENER, ECFIN
Sustainable Infrastructure Investment	4 participants 4 Member States CZ, PT, RO, SI	4 participants 2 Implementing Partners EIB, EIF	11 participants 8 potential IPs CDC, CDP, CEB, MDB, SERB, SEF, NDB (CZ), RCGF	4 participants 4 DGs EAC, SANTE, EMPL, ECFIN
Gender Equality	2 participants 2 Member States HU, SE	4 participants 2 Implementing Partners EIB, EIF	9 participants 7 potential IPs BPI, CDP, EBRD, CEB, BDB, CDTI, SEF	5 participants 5 DGs GROW, EMPL, RTD, ECFIN, EISMEA

42



Constitutive meetings outcome



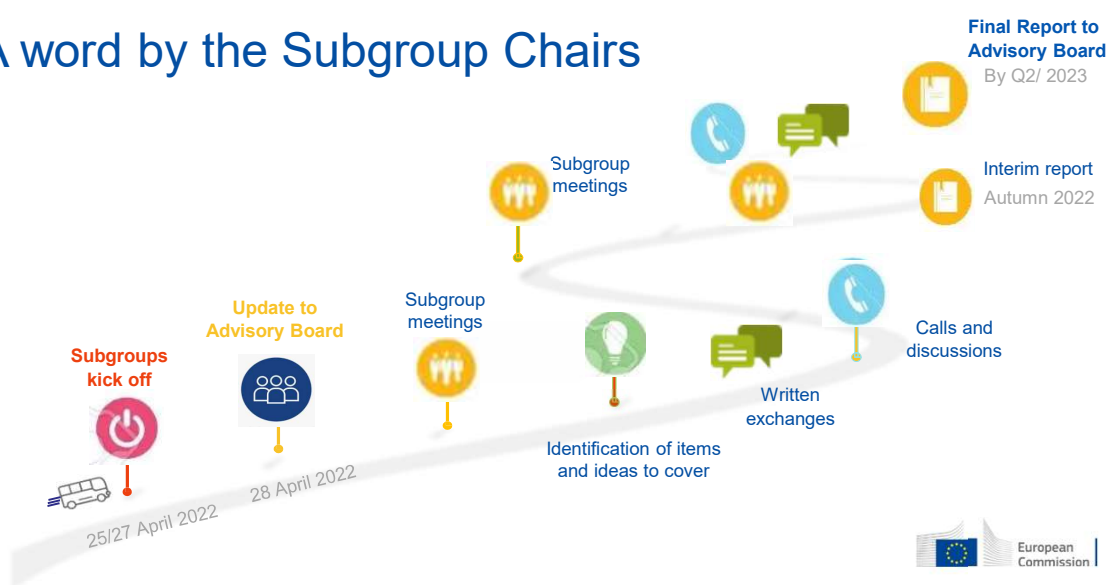
- Introduction of the Subgroup participants
- Election of the Subgroup Chairs
 - ✓ Energy Efficiency Financing Gaps: Robert Dzierzgwa (Poland)
 - ✓ Social Infrastructure Investment: Filipe Cartaxo (Portugal)
 - ✓ Gender Equality: Anna Björnermark (Sweden)
- Common understanding of the mandate
- Working methods of the Subgroups
- Open discussion on Subgroup's future work, timeline and priorities

43



The Way forward...

A word by the Subgroup Chairs

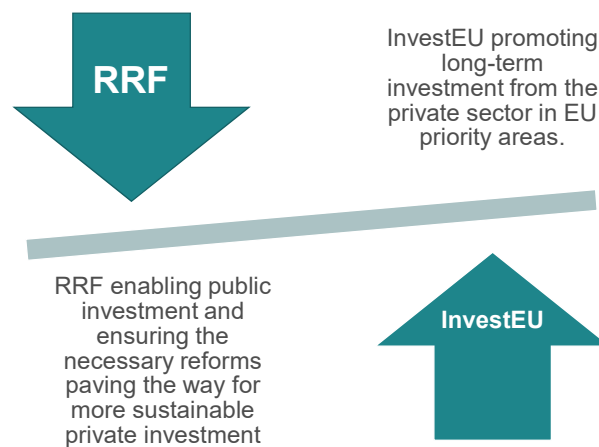


6. Topical discussion: Complementarities between the InvestEU Programme and other initiatives

Manon Brunel
Dražen Budimir



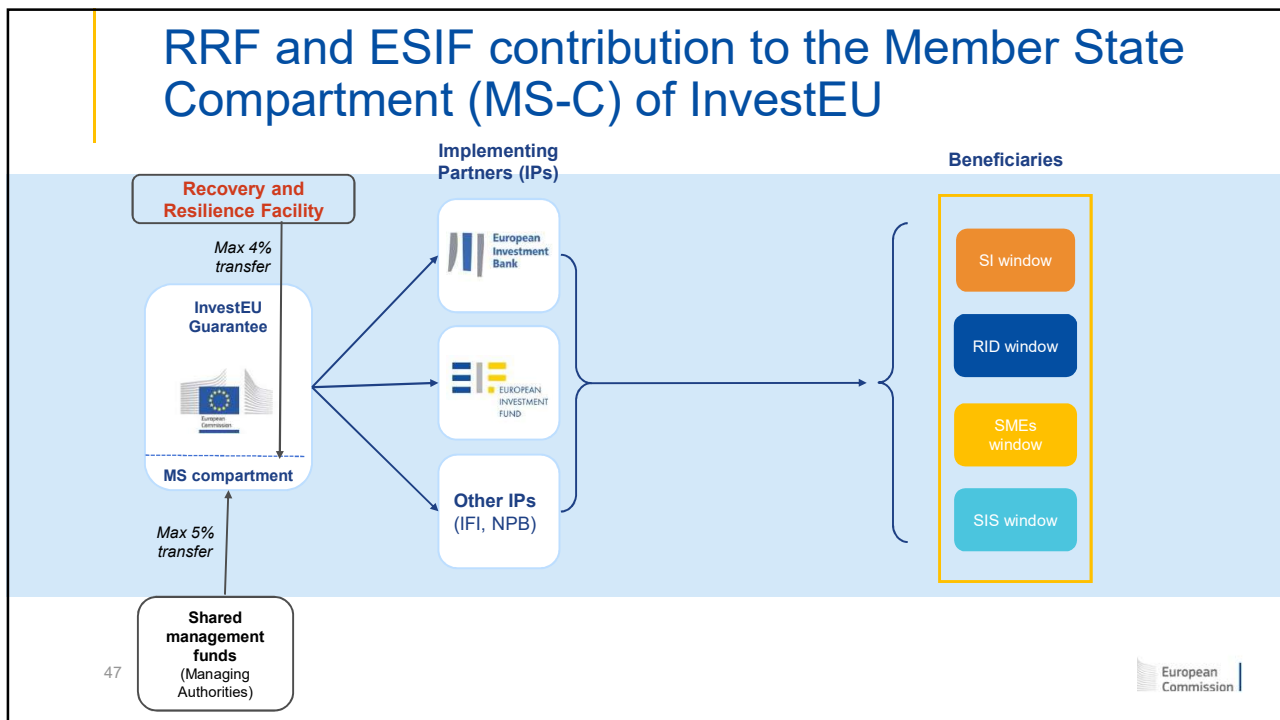
Synergies and complementarity between InvestEU and RRF



46



RRF and ESIF contribution to the Member State Compartment (MS-C) of InvestEU



Blending

Blending is a combination of **different sources of funding** in order to **crowd-in public and private investors** and **achieve a higher impact** of the investment support

Blending with the Union budget requires **pooling (1) EU resources with (2) non-EU funding**.

Blending operations under InvestEU

(1) EU resources and (2) non-EU funding from Implementing Partner (IP).



➔ **BLENDING OPERATION**

- Implementation under **Title X** of the Financial Regulation
- In case grants are also associated, Title X will be extended to its grant component

When the EU support

1. is provided through at least **one repayable form of support** (Budgetary Guarantee and/or Financial Instrument)

AND

2. involves the **contribution from sectorial programmes**



Blending Facilities and types of Blending Operations

- The notion of Blending Facility is **broader** than the notion of Blending Operation and covers;
 - Blending Operations under InvestEU – only options 1, 2, 3, 4 and 5
 - Grant Blending Operation – option 6

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
Grants	X		X	X		X
FI		X	X	X	X	
EU BG	X	X	X			
IPs resources	X	X	X	X	X	X

G: Grants from EU sectorial programmes

EU FI: EU Financial instruments (*i.e. existing and future*)

EU BG: InvestEU budgetary guarantee

Implementing Partner's resources: repayable support from non-EU budget

Blue dotted line = Blending Facilities

Red line = Blending Operations covered by the InvestEU budgetary guarantee

Red dotted line = Blending Operation without the InvestEU budgetary guarantee



Examples of blending operations under InvestEU

- Contributions under Option 2 – Financial Instrument from sectoral programme and InvestEU guarantee
 - Space Programme
 - Digital Europe
 - Creative Europe
- Contribution under Option 3 – Financial Instrument and grant element from sectoral programme and InvestEU guarantee
 - Green Transition cooperation on Catalyst Project – Financial Instrument from Innovation Fund, grant component from Horizon Europe

51



Sustainability focus: how to leverage investments for genuine sustainable projects

- **Binding targets:** 30% climate target overall programme, 60% climate and environment target under the Sustainable Infrastructure Window
- Check of the “sustainability” of a project all along the investment process
- First EU programme to take into account the **EU taxonomy**: recommended to use it for reporting and for sustainable proofing
- **Sustainability strategy in the design of financial products:** support of breakthrough technologies, scale up mature ones and invest into areas not attractive for private investors i.e. additionality

52



InvestEU and the “Do no significant harm” principle



Some potential InvestEU projects



Cargo Rolling Stock

Infrastructure for greener railway transport



Green rooftops

Energy efficiency by loans to households,



Fiber network expansion

Support to private Operator for expanding its fixed network



Investment in energy transition equity fund

Across all MS



7. Any other business

Advisory Board meetings in 2022: tentative schedule and work plan

Giorgio Chiarion Casoni



Tentative Advisory Board meetings planning

- Next Advisory Board – MS session planned in June 2022
- The fourth Advisory Board will be organised in October or in November 2022
- Potential topics for the Next Advisory Board:
 - Follow-up of the sub-groups
 - Other topics of interest to AB members [e.g: Green Mobility or other proposals]



Thank you.

EC-INVESTEU-AB-SECRETARIAT@ec.europa.eu



© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the [CC BY 4.0](https://creativecommons.org/licenses/by/4.0/) license. For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders.

Slide 1 to 54 : icon, source: flaticon.com (authors : inpagistudio / Freepik)

