

Joint Recommendations from AECM-EAPB-EBRD-ELTI-NEFI Preserving ambition for the ECF InvestEU Instrument for a stronger and more modern MFF 2028-2034

On behalf of AECM, EAPB, EBRD, ELTI and NEFI, representing over 90 promotional financial institutions that play a key role as implementing partners and financial intermediaries under the InvestEU programme, we would like to share our serious concerns about the Irish Presidency's Negotiating Box for the MFF 2028-2034, and present our recommendations for the negotiations moving forward.

Key recommendations for the next version of the Negotiating Box

The ECF InvestEU Instrument is a highly efficient tool to deliver on EU priorities. In view of the upcoming negotiations, we call on the co-legislators to:

- a) Increase the size of the ECF InvestEU Instrument:** the overall multiplier effect of the current programme is 17.18, which means that, on average, every EUR 1 of EU budget mobilises EUR 17.18 of investment [source: InvestEU - Performance - European Commission]. To contribute to restoring Europe's competitiveness, the minimum Union support delivered through the ECF InvestEU Instrument should not fall below the capacity of the current InvestEU guarantee adjusted for inflation, following the adoption of the Omnibus II proposal. This requires minimum Union support of EUR 40 billion from the outset, as a reduced guarantee would undermine the Instrument's capacity to mobilise private capital and support strategic investments.
- b) Strengthen contributions from each ECF Policy Window.** Given the scale of needs, the baseline should be more ambitious. The minimum amount for the ECF InvestEU Instrument should be increased by contributions of at least 10% from the ECF policy windows. This would increase the leverage of the EU budget, crowd in private and public investment, and keep a single, efficient delivery channel.
- c) Increase the use of blending under the next MFF,** building on the successful Alternative Fuels Infrastructure Facility (AFIF) under the Connecting Europe Facility, to expand this model which combines EU grants with loans from NPBI, mobilising more investments for strategic infrastructure projects.
- d) Protect social investments.** The EU Facility's budget should be brought back closer to the Commission's proposed level, and at least 10% should be used for the provisioning of the budgetary guarantee established by the ECF Regulation, to continue the social investment and skills policy window.

Background

In the current MFF, at the end of 2025, the volume of InvestEU operations approved by nearly 20 implementing partners reached EUR 83.88 billion, corresponding to an EU budget guarantee of EUR 29.1 billion. The approved InvestEU operations are expected to mobilise investments of EUR 397.11 billion, with 67% of this coming from the private sector.

The Irish Negotiating Box lowers the ambition of the ECF InvestEU Instrument just when the EU most needs to mobilise private capital for competitiveness, the green and digital transitions, security, social investment and skills, and SME financing. The current text would set the minimum Union support from the ECF to be delivered through InvestEU at EUR 14.79 billion, to be increased by contributions from the policy windows of at least 5% of their combined allocations, and the maximum EU guarantee at EUR 60.9 billion (both in current prices).

The EU Facility is also affected. Set up under the Regulation on National and Regional Partnership Plans, a portion of the EU Facility is meant to provision the budgetary guarantee for the social investment and skills policy window under the ECF InvestEU Instrument. The Commission proposed EUR 63.2 billion for the Union actions under the EU Facility, plus an EUR 8.7 billion cushion (current prices), whereas the Irish Negotiating Box sets EUR 36.4 billion and removes the cushion, a reduction of 49% (42% for the Union actions alone).

A strong ECF InvestEU Instrument is a key component of a modern MFF, as it allows each euro of the EU budget to mobilise significantly more investment. The Irish Negotiating Box is a step backwards because:

- **It lowers an already insufficient baseline.** The Commission proposal foresaw a minimum of EUR 11 billion. At a 50% provisioning rate, this implies a EUR 14 billion guarantee and total Union support of EUR 17 billion. The newly proposed EUR 14.79 billion is roughly 13% below even that level, and well below the current InvestEU guarantee adjusted for inflation (EUR 40 billion).
- **A 5% top-up from ECF Policy Windows is too modest** to enable InvestEU to serve as the budget amplification tool it should be.
- **It is a major risk for social investment and skills.** The proposed cut to the EU Facility is a significant setback for social policy delivered through financial instruments and budgetary guarantees: although the line covering social investment is formally maintained, it has no minimum amount and the cushion is removed, so social investment would compete with other Union actions for a Facility half the size. The InvestEU social investment and skills window is a clear success, showing that public financing for social policy can also have a strong leverage effect. It supports, among others, microfinance, social enterprise finance and the social economy, skills, education and training, gender equality, social infrastructure, health and long-term care. Preserving this window with adequate, ringfenced resources is essential for quality jobs, social cohesion and the overall competitiveness of the EU.
- **It weakens the leverage effect.** Guarantees are the most capital-efficient use of EU funds. Every euro removed from provisioning reduces the volume of private and public investment that can be crowded in, in a context where the investment gap is estimated by the Draghi report at EUR 750-800 billion per year.

AECEM, EAPB, EBRD, ELTI and NEFI stand ready to support policymakers with technical expertise and practical insights from our members.

About AECM: AECM – Guarantors Europe represents 51 members operating in 33 countries in Europe, and 7 international partners (including the European Investment Fund). 32 members are public promotional institutions/banks, 9 are public-private mixed, and 10 are private/mutual guarantee institutions. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. This so-called SME financing gap is recognised as market failure. By guaranteeing loans for these enterprises, guarantee institutions help to address this market failure and facilitate SMEs' access to finance in a budget-efficient way. At the end of 2024, AECM members had EUR 218 billion of guarantees in portfolio, supporting more than 6 million SMEs across Europe.

AECM – Guarantors Europe
Avenue d'Auderghem 22-28 boîte 10, 1040 Brussels, Belgium
Transparency Register Identification No.: 67611102869-33
info@aecm.eu <https://www.aecm.eu/>

About EAPB: The European Association of Public Banks (EAPB) gathers member organisations (financial institutions, funding agencies, promotional and public banks, associations of public banks and banks with similar interests) from 17 European Member States and countries, representing directly and indirectly the interests of over 90 financial institutions towards the EU and other European stakeholders. With a combined balance sheet total of about EUR 3.4 trillion and a market share of around 15%, EAPB members constitute an essential part of the European financial sector.

European Association of Public Banks (EAPB)
Avenue de la Joyeuse Entrée 1-5, B-1040 Brussels (Belgium)
Transparency Register Identification No.: 8754829960-32
info@eapb.eu <https://www.eapb.eu/>

About EBRD: The European Bank for Reconstruction and Development (EBRD) is an international organisation established under public international law pursuant to the Agreement Establishing the European Bank for Reconstruction and Development, dated 29 May 1990. The EBRD is committed to furthering progress towards market-oriented economies and the promotion of private and entrepreneurial initiative. Owned by 77 countries, as well as the European Union and the European Investment Bank, the EBRD operates across three continents to support the transition to successful market economies by promoting private sector development, investment and economic transformation. The Bank pursues its objectives through a combination of financing, advisory services and policy engagement. It works with businesses, financial institutions and public authorities to strengthen competitiveness, foster entrepreneurship and improve access to finance. The EBRD also supports the development of inclusive, resilient and sustainable economies, with a particular focus on the green transition, good governance and economic integration.

The European Bank for Reconstruction and Development (EBRD)
Five Bank Street, London, E14 4BG, United Kingdom
Transparency Register Identification No.: 44013762992-64
www.ebrd.com

About ELTI: The European Association of Long-Term Investors (ELTI) represents a European-wide network of National Promotional Banks and Institutions (NPBIs) who offer financial solutions tailored to the specific needs of their respective country and economy. The association gathers 34 European long-term investors from 23 Member States across the European Union as well as candidate countries. With a combined balance sheet of € 2.9 trillion, ELTI's goal is to promote long-term investment in close alignment with the objectives and initiatives developed by the European Union in order to foster sustainable, smart and inclusive growth and job creation.

European Association of Long-Term Investors (ELTI)
Rue Montoyer 51, B-1000 Brussels (Belgium)
Transparency Register Identification No.: 977980112556-82
secretariat@eltia.eu <https://www.eltia.eu/>

About NEFI: The Network of European Financial Institutions for Small and Medium Sized Enterprises (NEFI) represents 19 financial institutions from 18 EU Member States and the UK. NEFI brings together promotional financial institutions to exchange experience and follow EU developments relevant to SME financing and access to finance. Its members complement national banking systems through co-financing, risk-sharing, expertise and advisory services. In 2024, NEFI members supported more than 220,000 SMEs across Europe with over EUR 64.6 billion in financing, mainly through loans and guarantees.

The Network of European Financial Institutions for Small and Medium Sized Enterprises (NEFI)
Rue Montoyer 51, B-1000 Brussels (Belgium)
Transparency Register Identification No.: 44013762992-64
nefi@nefi.eu ; www.nefi.eu