Public

European Investment Fund

# *InvestEU Sustainability Guarantee*

## *EU SUSTAINABLE FINANCE DAYS 2024*

*09 October 2024*

# InvestEU Sustainability Guarantee

- *The **Sustainability Guarantee ("SG")** is:*

  - ✓ EIF's new flagship product under InvestEU and the first pan-EU guarantee product, specifically aimed at supporting the green transition of **SMEs, Small Mid-caps, as well as natural persons and housing associations.**
  - ✓ The eligibility criteria are designed to cover the scope of the EU Taxonomy for Sustainable Finance, adapted to the EIF's targeted beneficiaries.
  - ✓ EIF's largest guarantee product under InvestEU, by allocated resources.
  - ✓ Offered in the form of both capped and uncapped guarantee.
  - ✓ The guarantee rate is up to 70 % and can be increased up to 80% in case of final recipients:
    - ✓ located in just transition or cohesion regions, or
    - ✓ final recipients that are private individuals or housing associations
  - ✓ Product is accompanied by **Advisory services support** to assist Financial Intermediaries in the implementation of this product.

# InvestEU Sustainability Guarantee

**The Sustainability Guarantee supports the achievement of the EU's climate environmental objectives by promoting sustainable investments and enterprises across a wide number of areas**

**Natural person** or **housing association** | **SME** or **small MidCap**

Sustainable **investment** | Sustainable **enterprise**




Further information on the InvestEU Sustainability Guarantee (eif.org)

*Key resources*




**Sustainability Guarantee Use Case Document**
Version 1.2 (published on 27 December 2023)

sustainability-use-case.pdf (eif.org)



**EIF InvestEU Sustainability Guarantee Tool**
EIF InvestEU Sustainability Guarantee - Financing sustainable businesses and green investments

# The EIF´s SG criteria are based on EU Taxonomy principles

**Sustainable Investments**

- Climate Change Mitigation
- Climate Change Adaptation
- Transition to a circular economy
- Pollution prevention and control
- Protection of water and marine resources
- Biodiversity and ecosystems

EU Taxonomy *"applied"* to SMEs




- Do not significant harm is proved through sustainability proofing requirements based on InvestEU Technical guidance
- Financial intermediaries are assessed in the due diligence process for their environmental, climate and social risk management procedures through an ESG questionnaire
- Additional restrictions apply through excluded and restricted sectors (including EIBG Paris alignment)

# Sustainability Guarantee Tool

- ✓ Advisory web-tool to assist EIF financial intermediaries and with the assessment and the reporting of investment projects
- ✓ Part of the Green Gateway initiative aimed at supporting financial institutions with green and sustainable financing, by providing advisory and technical assistance
- ✓ Developed by EIB Advisory Services and EIF, with the funding support of the European Investment Advisory Hub
- ✓ Fully in line with the eligibility criteria of EIF InvestEU Sustainability Portfolio Guarantee Product, as stated in the Use Case Document

**WHY use the SG Tool?**

- Assessment of eligibility criteria
- Assessment of climate impact estimations
- Transposition and guidance on the eligibility criteria
- PDF/XLS document download option for reporting purposes



# Correlation between Use Case Document and SG Tool

**Example: Sustainable enterprises** | criterion 1.1: prize and/or public support previously received




**Use Case Document**

1.1 Prize and/or Public support previously received

**Eligibility Criteria no 1.1**
The Final Recipient has been awarded within the last 3 years a clean-tech or "green" prize, grant or funding from an EU/National institution/body/support scheme, from a pre-defined list, and purpose of the Final Recipient Transaction is to maintain or further develop the activity of the Final Recipient.

**WHO is eligible:**

Target Final Recipients that:

1) Have been awarded clean-tech or "green" prize from EU/National institution/body/support scheme from the list displayed in Appendix I, as may be updated from time to time or have received grant or funding under the EIC Green Deal;

OR

2) Have projects that were judged to receive funding, but did not get it due to budget limitations (EIC Green Deal Seal of excellence label');

**HOW is the eligibility confirmed:**

The assessment of the Final Recipient Transaction eligibility is based on:

- ✓ Documents that state the award of the clean-tech or "green" prize from the awarding entity;

OR

- ✓ Documents that confirm the EIC Green Deal grant or funding received;

OR

- ✓ Documents that confirm the EIC Green Deal Seal of excellence label received;

OR

- ✓ Public/official website stating the award, grant, funding or label in the name of the Final Recipient;

AND

- ✓ Self-declaration from the Final Recipient stating that the purpose of the Final Recipient Transaction is to maintain or further develop the activity;

**WHEN should the assessment be made:**

Prior to loan signature.



**The Sustainability Tool transposes the Sustainability Guarantee requirements**

**1.1 Prize and/or Public support previously received**

The Final Recipient has been awarded within the last 3 years a clean-tech or "green" prize, grant or funding from an EU/National institution/body/support scheme, from the list below, and the purpose of the Final Recipient Transaction is to maintain or further develop the activity of the Final Recipient.

Malta

**EIC Green Deal Seal of Excellence**

Eligible countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Germany, Denmark, Estonia, Greece, Spain, Finland, France, Croatia, Hungary, Iceland, Italy, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Poland, Portugal, Romania, Sweden, Slovenia, Slovakia

**Eligibility:** The Final Recipients are eligible if they have projects that were judged to receive funding, but did not get it due to budget limitations (EIC Green Deal Seal of excellence).

WHAT

**Smart and Sustainable Business Award**

Eligible country: Malta

Eligible category: Environmental sustainability

**Smart and Sustainable Business Award**

Awarding organisation: Ministry of the Economy

Eligible country: Malta

Eligible category: Environmental sustainability

HOW

Eligibility must be confirmed by one of the following:

a) Documents

that state the award of that clean-tech or "green" prize from the awarding entity

b) Public / official website

stating the award in the name of the Final Recipient

Additionally the following must be provided by the Final Recipient:

Self-declaration

from the Final Recipient stating that the purpose of the Final Recipient Transaction is to maintain or further develop the activity

When should the assessment be made?

WHEN

Prior to loan signature

Thank you for your attention!

**For additional information:**

- **InvestEU and EIF:**
  https://www.eif.org/InvestEU/index.htm
- **EIF InvestEU Portfolio Guarantees digital brochure**
  https://engage.eif.org/investeu/guarantees
- **Sustainability Guarantee:**
  https://www.eif.org/InvestEU/guarantee_products/index-sustainability.htm
- **Sustainability Guarantee Tool:**
  https://sustainabilityguarantee.eif.org/