Council of the European Union
General Secretariat

PUBLIC

Interinstitutional files:
2025/0555 (COD)

Brussels, 29 October 2025

WK 14496/2025 INIT

LIMITE

COMPET	**CLIMA**	**DIGIT**
IND	**AGRI**	**DATAPROTECT**
MI	**TRANS**	**DAPIX**
CADREFIN	**SAN**	**FREMP**
FIN	**PHARM**	**RELEX**
RECH	**BIOTECH**	**COPS**
ESPACE	**POLMIL**	**UD**
CONSOM	**POLGEN**	**AUDIO**
DUAL USE	**ECOFIN**	**PROCIV**
EDUC	**COH**	**IPCR**
TELECOM	**INDEF**	**MAP**
ENER	**CULT**	**FISC**
ENV	**CYBER**	**CSC**
	JAI	**CODEC**

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

MEETING DOCUMENT

From:	General Secretariat of the Council
To:	Ad Hoc Working Party on the Multiannual Financial Framework (AHWP MFF) - European Competitiveness Fund
Subject:	Regulation on establishing the European Competitiveness Fund (ECF), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, and amending Regulations (EU) 2021/696, (EU) 2023/588, (EU) [EDIP] - Commission presentation Ad Hoc Working Party meeting on 29 October 2025

PUBLIC

InvestEU

Technical seminar

29 October 2025

PUBLIC

I. InvestEU Fund

Main principles
Budgetary guarantee vs financial instrument
Implementing partners
Financial products

Main principles

Policy context

- Support growth in new green and digital sectors
- Strengthen EU leadership in research, development and innovation
- Boost competitiveness, including the start-up and scale-up ecosystem
- Promote social investment and skills
- Improve the Integration of EU Capital Markets

PUBLIC

Main Principles

Single programme: single legal basis covers different policy priorities; single agreement with each Implementing Partner and Advisory Partner (umbrella framework).

InvestEU Fund is **a risk-sharing scheme** to mobilise more than EUR 372 billion of additional investments in the EU.

Direct access to the EU guarantee for multiple Implementing Partners (**open architecture**)

Market based but policy driven approach: four policy windows

Member State compartment: synergies with structural funds and the RRF

The InvestEU Fund



PUBLIC



The Fund replaces 13 centrally managed EU financial instruments and the European Fund for Strategic Investments (EFSI)

The Invest EU **budget guarantee per policy window**:

- **€9.9 bn** — SUSTAINABLE INFRASTRUCTURE
- **€2.8 bn** — SOCIAL INVESTMENT AND SKILLS
- **€6.6 bn** — RESEARCH, INNOVATION AND DIGITISATION
- **€6.9 bn** — SMEs

Visit our **new website**

europa.eu/**investeu**

#InvestEU #NextGenerationEU

What is a budgetary guarantee?

PUBLIC

- It is a form of Union support which is **repayable** (as opposed to a grant);
- It enables support to final recipients in the form of **debt** and **equity**;
- **Union budget acts as a guarantor**: the Commission signs a **guarantee agreement** on behalf of the Union **with the implementing partner**; the implementing partner carries out its own financing and investment operations which are partially covered by the budgetary guarantee;
- The implementing partner **remunerates the Union budget** for the use of the budgetary guarantee;
- For each budgetary guarantee **a provisioning rate is defined ex-ante (i.e. 40% for InvestEU)** to cover expected losses and an adequate safety buffer; revenues, recoveries and repayments increase the provisioning.
- The provisioning of the budgetary guarantee is constituted over several years and is kept in the **Common Provisioning Fund** (as of 2021 for InvestEU). It is used to honour upcoming guarantee calls.

InvestEU guarantee - budget

- **EUR 26.2 billion** EU guarantee (EU Compartment) for risk coverage
  - EUR 14.8 billion stemming from NGEU resources → to be approved by end-2023
  - EUR 11.4 billion stemming from MFF resources → to be approved by end-2027
- **40% provisioning rate = EUR 10.46 billion of EU budget**

Guarantee available – October 2025:

EUR 26.2 bn (Regulation) + EUR 4.26 bn (additional guarantee) = **EUR 30.9 billon**

- EU compartment (EUR 26.2 billion)
- MS Compartments (EUR 2.8 billion)
- 3rd countries contributions (i.e. Iceland and Norway, EUR 488.5 million)
- Top-ups for blending operations from other EU sectoral programmes (EUR 1.6 billion)

InvestEU attracted further contributions increasing its firepower by 18%

PUBLIC

Budgetary Guarantee vs Financial instrument

PUBLIC

Financial instruments are form of Union support which is **repayable.**

It can be used to support final recipients in the form of **debt** and **equity.** Usually used for products that display a higher risk and/or require a high cost-coverage (e.g. funding costs) from the EU budget.

Contrary to budgetary guarantees, financial instruments are **100% provisioned** by the EU budget; EU funds are usually disbursed to the **fiduciary accounts** managed by the implementing partners and used in line with the nature of the financial product (e.g. to cover future guarantee calls, to invest in equity, etc.).

Financial instrument of **EUR 10 billion = EUR 10 billion of EU budget**

Budgetary guarantee

- Contingent liability for the EU budget (based on the provisioning rate)
- Union funds (provisioning) kept in the CPF
- Operations financed by the implementing partner (providing cash)
- On the implementing partner's balance sheet: the EU budget acts as a guarantor

Financial Instrument

- No contingent liability for the EU budget (100% provisioned)
- Union funds kept in fiduciary accounts
- Possibility of funded instruments where operations are financed by the EU budget (cash paid from the EU budget is invested in final recipients)
- On EU's balance sheet

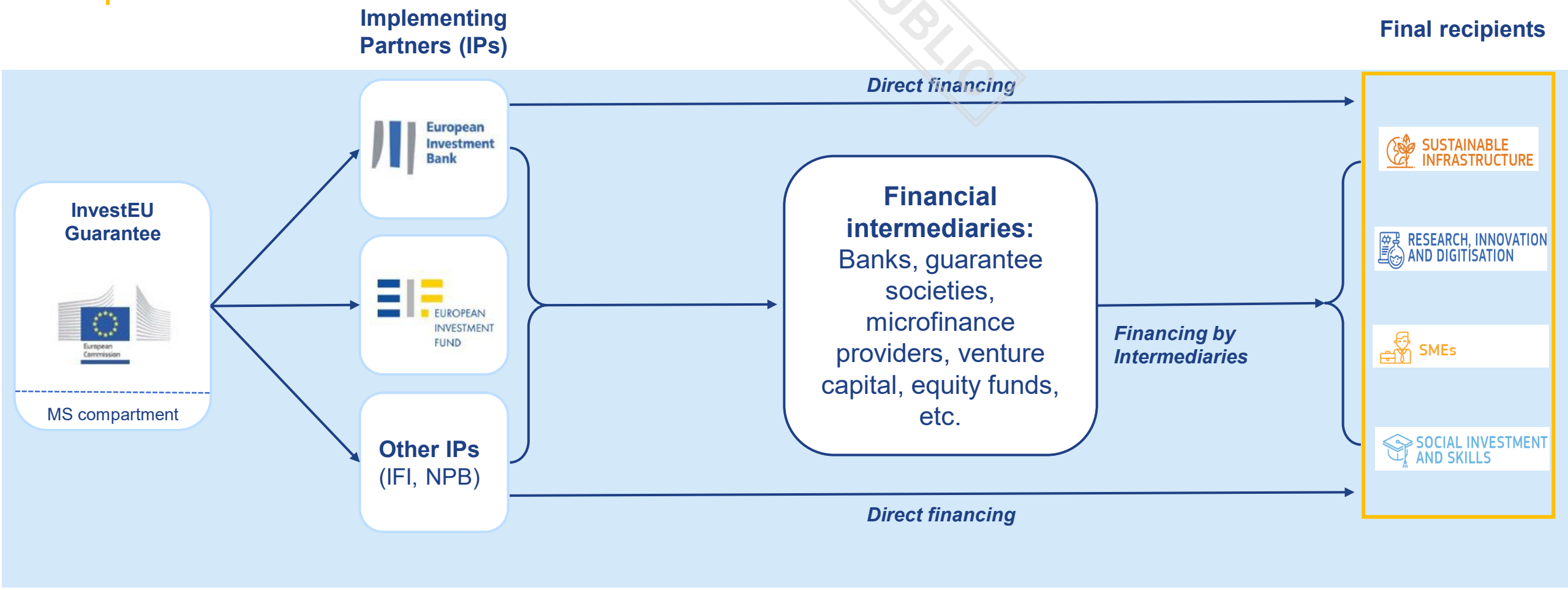
InvestEU Implementing Partners

PUBLIC

- The **EIB Group (European Investment Bank** and the **European Investment Fund)**, the main implementing partner (75%)
- Further Implementing Partners **(International Financial Institutions; National Promotional Banks and Institutions)**:
  - Selection of other implementing partners via published **Calls for Expression of Interest**; two Calls with several cut-off dates since 2021; last selection round currently open (closes 28 November 2025)
  - Rationale for open architecture of InvestEU: **increase of geographic and sectoral outreach, broadening of project pipeline, complementarity of expertise of implementing partners**
- Implementing Partners may **provide finance directly, or leverage Union support indirectly** through financial intermediaries such as commercial banks or investment funds**.**
- Commission and Implementing partners conclude a **Guarantee Agreement**; amendments are made to accommodate emerging policy priorities (e.g. Critical Raw Materials, Net-Zero Industry Act), adjust financial products or increase financial capacity

InvestEU Fund implementation

PUBLIC



***Financing** includes loans, guarantees, counter-guarantees, sub-ordinated debt, venture debt, quasi equity, equity investments, etc.)*

European Commission

InvestEU Implementing Partners

PUBLIC

24 Implementing Partners (IPs)
(including those that already applied to the 2nd call)

EIB Group

European Investment Bank

European Investment Fund

International Financial Institutions

CEB

European Bank for Reconstruction and Development

NIB

National Promotional Banks

cdp

Caisse des Dépôts GROUPE

bpifrance

cdp

INL

BGK Bank Gospodarstwa Krajowego

ICO Instituto de Crédito Oficial

nrb Národní Rozvojová Banka

BPF Banco Português de Fomento

Garantiqa Hitelgarancia Zrt.

PMV Vlaamse investeringsmaatschappij

Bulgarian Development Bank

7 Upcoming Implementing Partners from 2nd call for expression of interest

HBOR

NRW.BANK

SID Banka

ICF Institut Català de Finances

austria wirtschafts service aws

SBCI

FINNVERA

European Commission

Financial Regulation requirements for budgetary guarantees and financial instruments

PUBLIC

- Pre-requisite for becoming an implementing partner of the EU: successful **pillar assessment**
- **Article 62(1)(c)** and Title VI: Indirect management through implementing partners
- **Article 157**: Selection of implementing partners in a transparent manner – Commission opted for published calls for expression of interest
- **Title X (budgetary guarantees and financial instruments)**
  - **Article 212**: Principles and conditions applicable
  - **Article 222**: Implementing partners requested to contribute with their own resources to the operations covered by the budgetary guarantee (financial contribution)
- **Article 41(4) & (5)** – Reporting requirements on financial instruments and budgetary guarantees part of the annual Draft Budget, including an assessment of the adequacy of the provisioning for guarantees
- **Article 256** – Annual report with a sustainability assessment of contingent liabilities

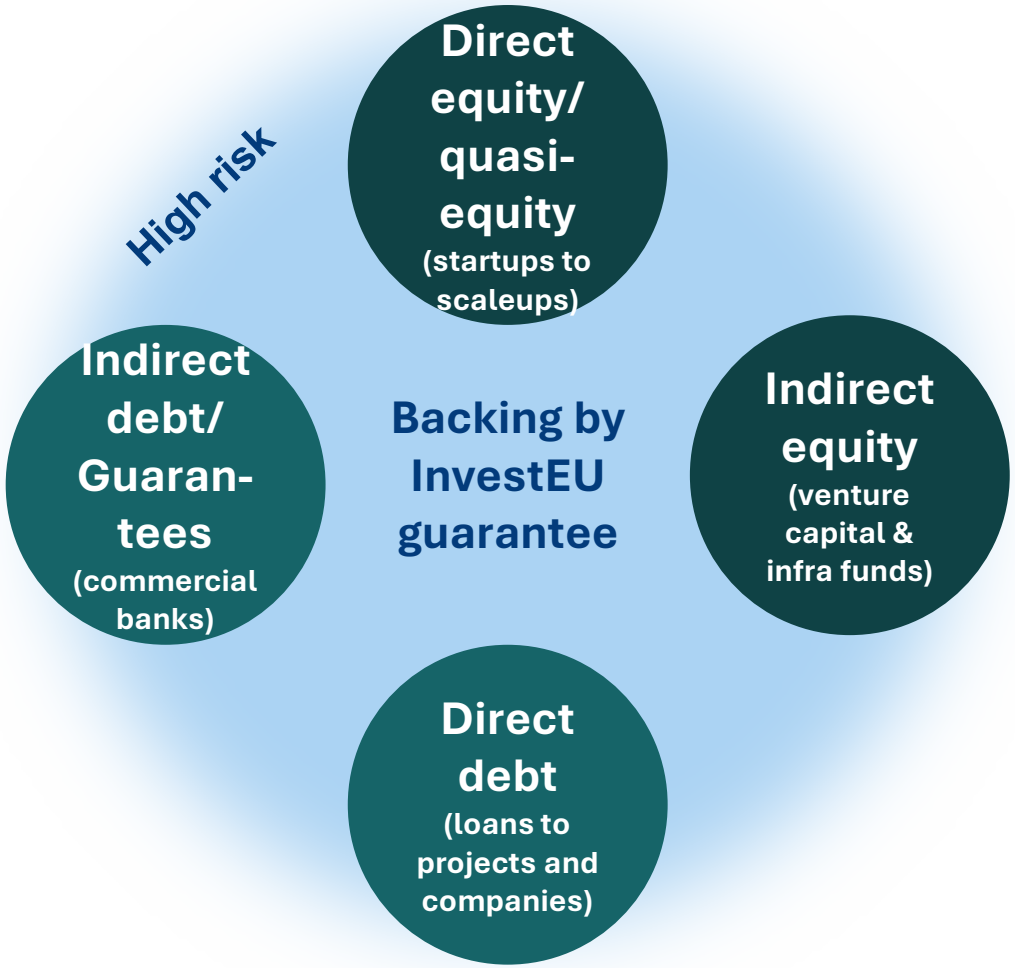
EU guarantee: conditions
Financial Regulation - Article 212

PUBLIC

The EU guarantee (and the financial instrument) must:

- Address **market failures** or **sub-optimal investment** situations
- Provide support only to **final recipients that are deemed economically viable** according to internationally accepted standards
- Achieve **additionality** by preventing the replacement of potential support and investment from other sources
- **Not distort competition** in the internal market and be consistent with State aid rules
- Ensure there is a **common interest** of the implementing partners in achieving the policy objectives
- Provide for **remuneration** of the Union that is consistent with the **sharing of risk** among financial participants and the policy objectives

InvestEU financial products



- InvestEU supports Implementing partners (IPs) through a budgetary guarantee, while **IPs provide support to the market through direct and intermediated equity and debt financial products (via funds or banks)**.
- InvestEU can support **economically viable companies at all stages of their development from SMEs/start up** (seed and early grow finance) **to scale ups.**
- InvestEU can finance investment in **all technologies at all different level of maturity via direct and indirect debt and equity**.
- **More than 60%** of the InvestEU guarantee used to support **high-ris**k products/final recipients
- InvestEU operates in **indirect management**:
  - Individual investment decisions delegated to IPs;
  - Policy steer ensured via contractual arrangements, policy checks on a proposed investment decision and policy review dialogues with IPs.

PUBLIC

European Commission

II. InvestEU Fund

PUBLIC

Leverage and multiplier
MS Compartment, top-ups and 3rd countries
Results and examples of financing operations
Governance

Leverage and multiplier

Financial Regulation - Article 212

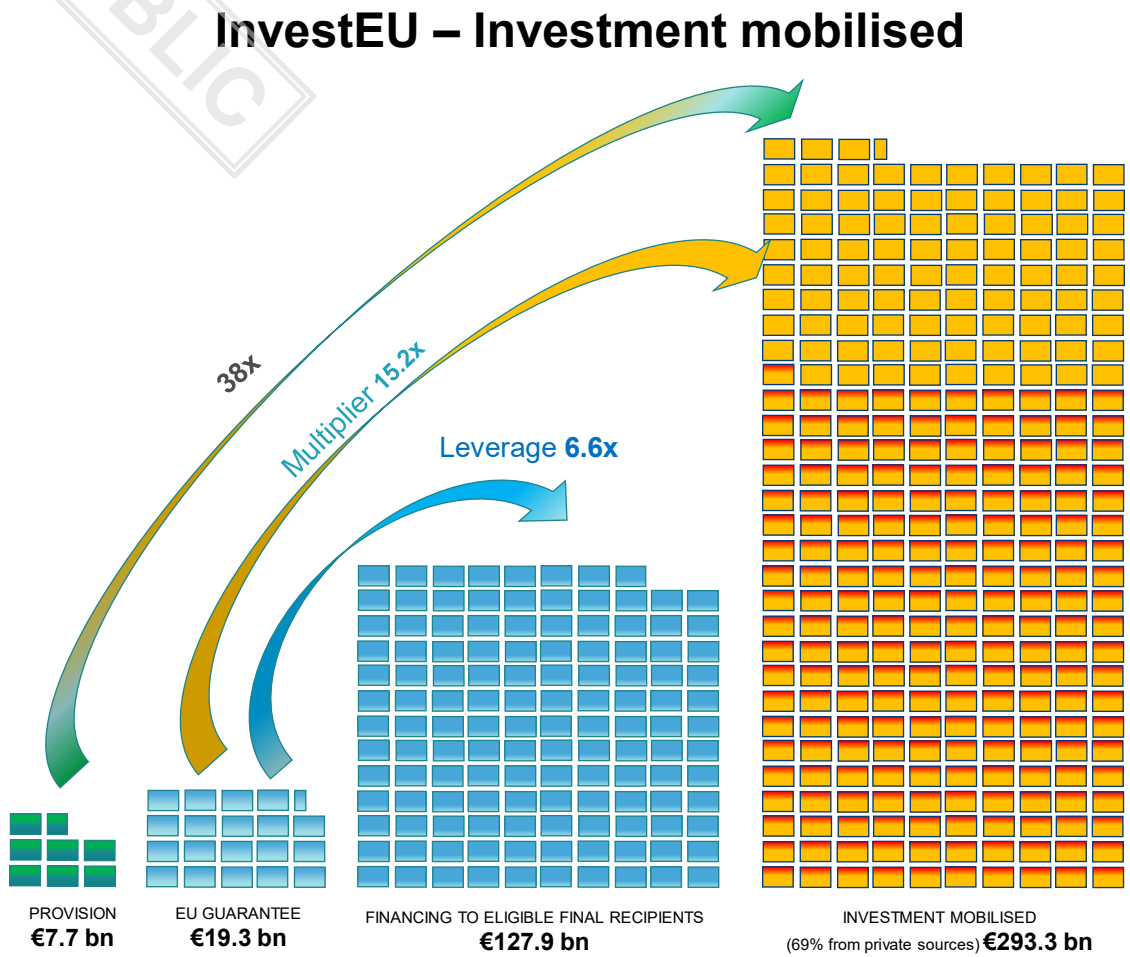
PUBLIC

The EU guarantee (and the financial instrument) must:

Achieve a **leverage and a multiplier effect**, by mobilising a global investment exceeding the size of the guarantee including the **maximisation of private investment**

Leverage effect measures how much **financing to the final recipients** has been unlocked by the EU Guarantee.

Multiplier effect measures how much **total investments** have been unlocked by the EU Guarantee.



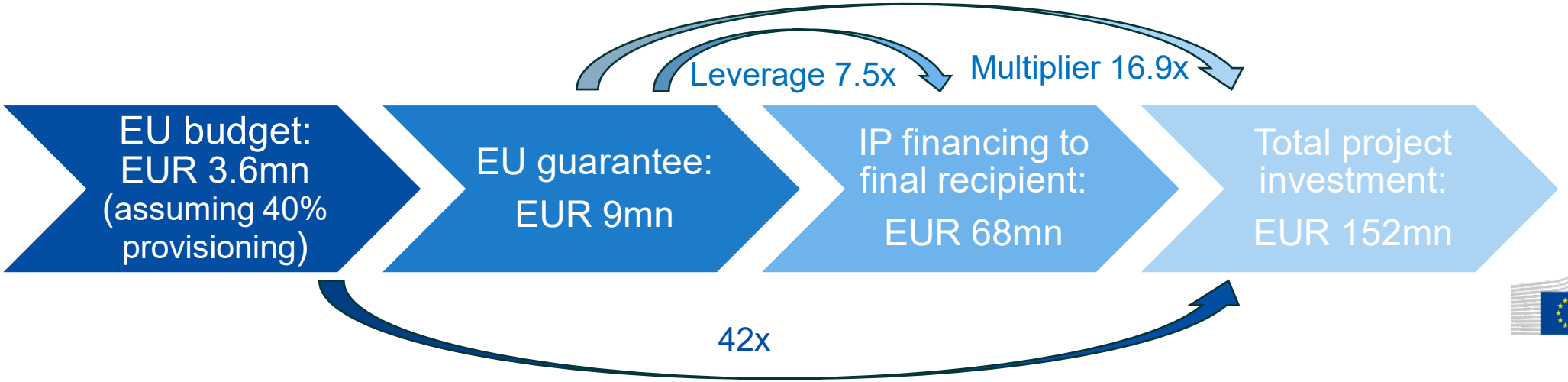
InvestEU approved operations
Provisional data as of end-June 2025

European Commission

Leverage and multiplier
Example: Solar PV plant in Spain

PUBLIC

- EU Guarantee to cover risk-sharing with the implementing partner: EUR 9 million
- Implementing partner provides financing (e.g. for PV equipment) to final recipient: EUR 68 million
- Total investment of the final recipient (infrastructure, connections, PV equipment): EUR 152 million

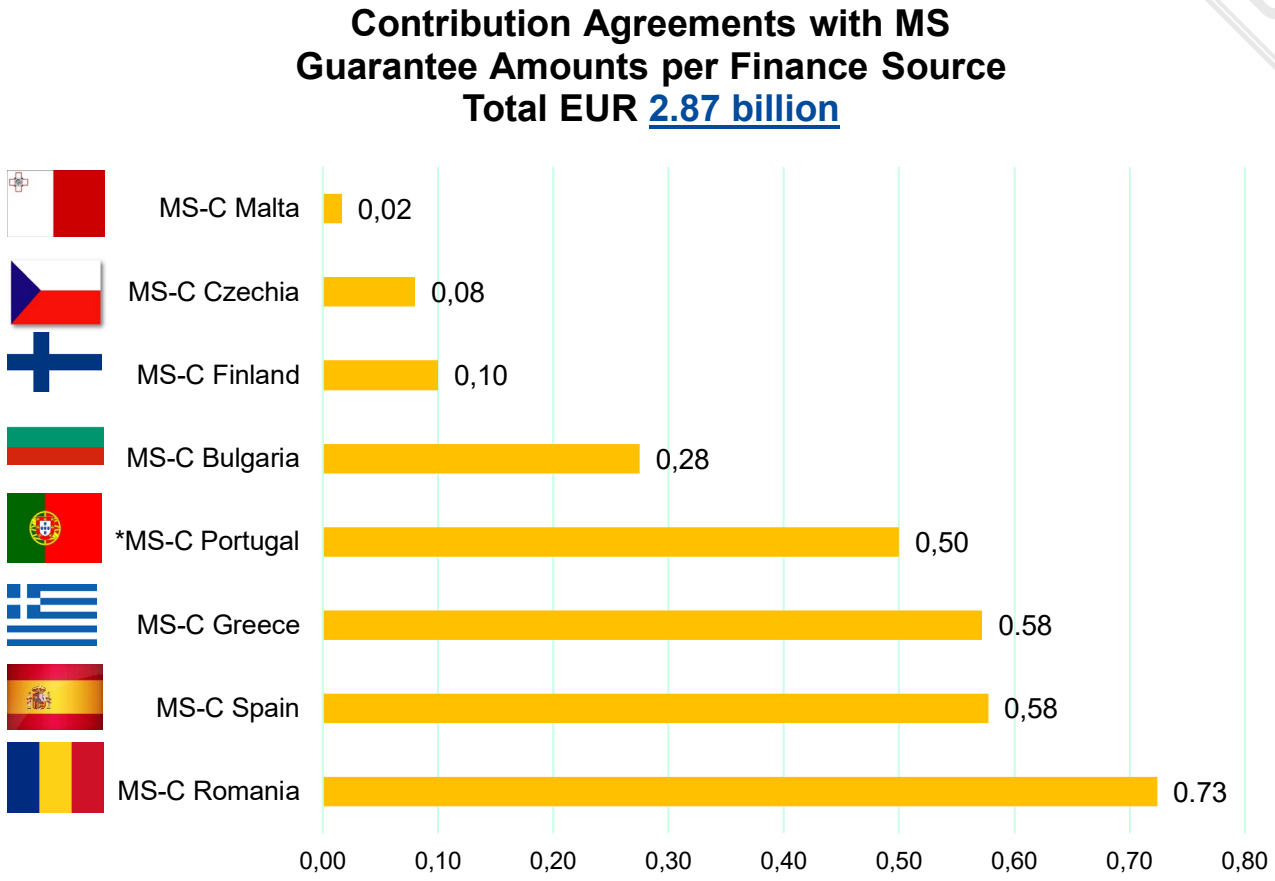


European Commission

InvestEU Member State Compartment (1/2)

Sources for contributions

PUBLIC



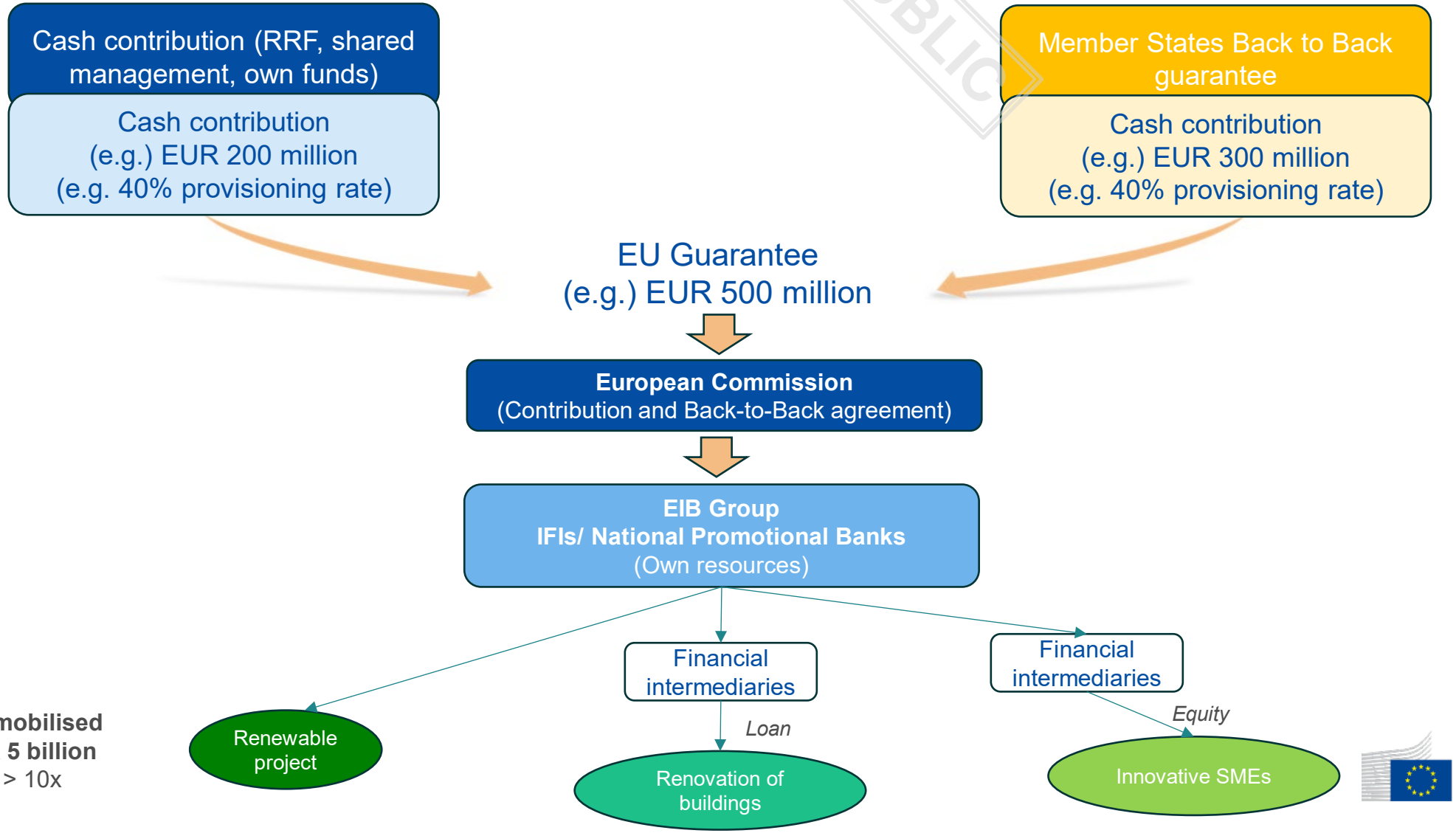
Source: Contribution and Back-to-Back Agreements signed with the Member States and Guarantee Agreements signed with Implementing Partners, as of 15 October 2025.

Sources for contributions for provisioning to set-up a MS Compartment under InvestEU:

- Contribution under the **Recovery and Resilience Facility (RRF)** Regulation
- **Shared management funds** under the Common Provisions Regulation (CPR) and the CAP Strategic Plans Regulation
- Contribution provided by the MS in **cash from own resources**

InvestEU Member State Compartment (2/2)
Functioning

PUBLIC



Investment mobilised
(e.g.) > EUR 5 billion
Multiplier > 10x

European Commission

Top-ups from other EU programmes in the form of financial instruments or grants

PUBLIC

Top-ups for blending operations from other EU programmes amounting to ~ **EUR 1.6 billion**

1. Creative Europe Media Programme
2. Digital Europe Programme
3. European Maritime, Fisheries and Aquaculture Fund
4. European Space Programme
5. European Defence Fund
6. Horizon Europe
7. Innovation Fund
8. EU4Health Programme

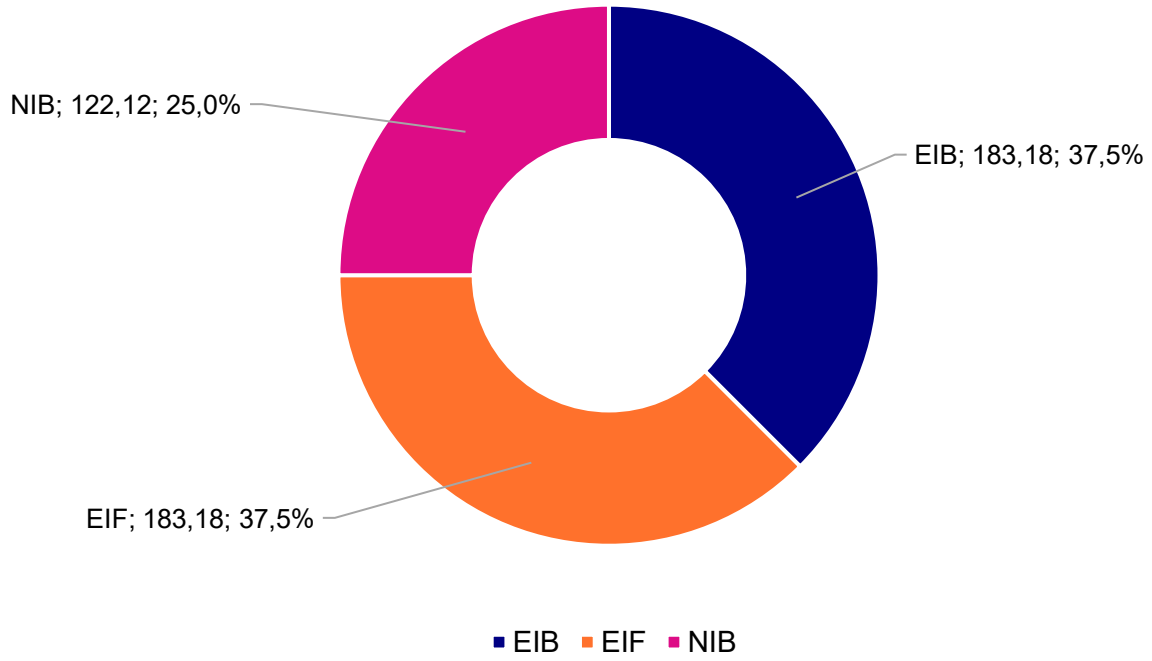
Financial products supported:

- Equity products (EIF, EBRD)
- Thematic products (EIB)

Third countries contributions

PUBLIC

InvestEU guarantee from EFTA contributions per IP (EUR m)
Total EUR 488.5 million

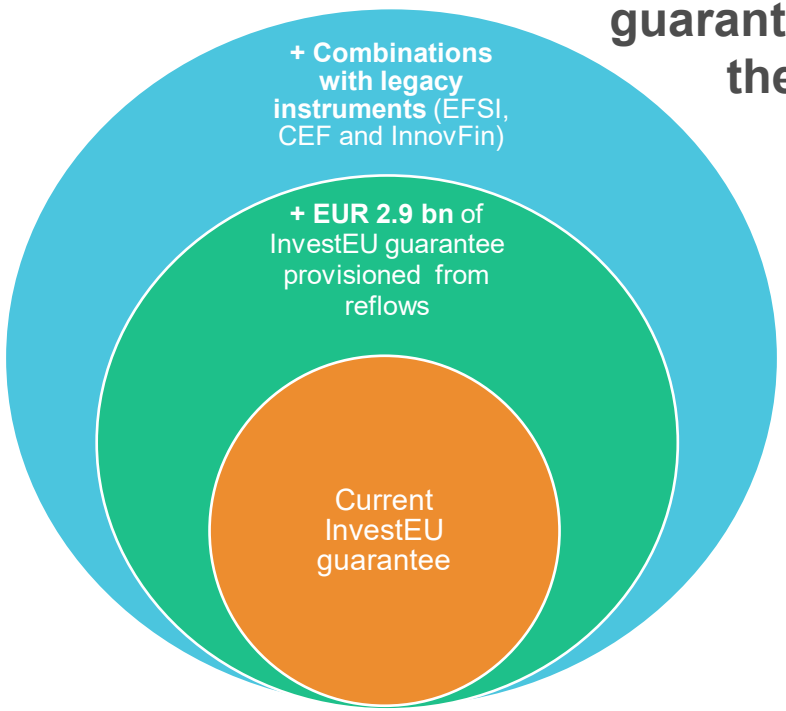


Source: Contribution Agreements signed with Norway and Iceland and Guarantee agreements signed with Implementing Partners, as of 15 October 2025

InvestEU Omnibus

PUBLIC

Additional amount of EU guarantee EUR 2.9 billion for the InvestEU Fund



Improve **attractiveness of the InvestEU MS compartment,** allowing fully debt and equity funded financial instruments (RRF and own resources) i.e. to support the deployment in currencies other than the euro.

EUR 40 million enhancement for the **InvestEU Advisory Hub** to develop a robust pipeline of investment projects

Simplification:

- Reducing scope and frequency of reporting (EFSI) and the KPMIs reporting for small transactions
- Other simplifications for implementing partners, financial intermediaries, and final beneficiaries, notably SMEs

Mobilise around **EUR 55 billion** of additional private and public **investments**

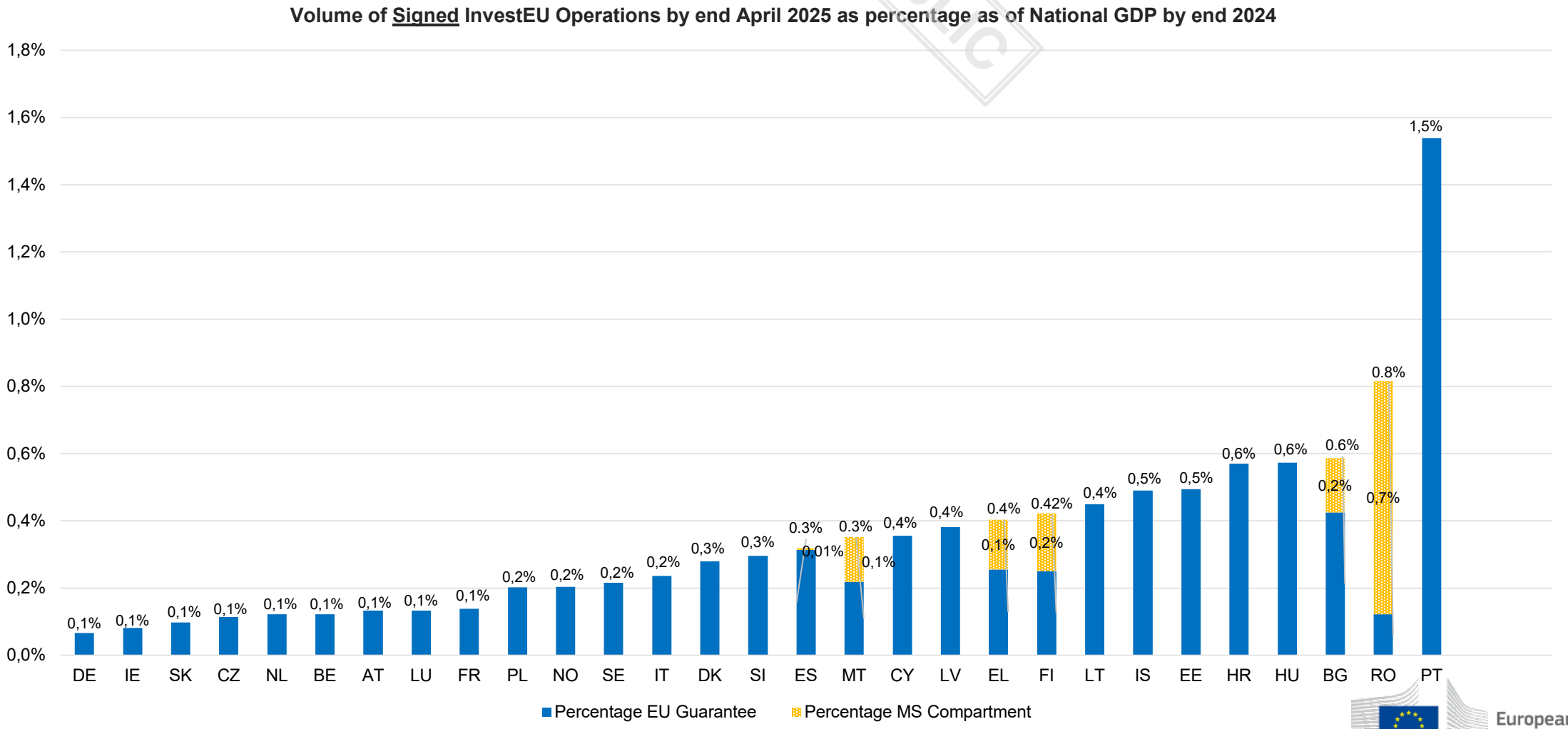
Support to existing and emerging priorities under the **Competitiveness Compass** and **Clean Industrial Deal**

European Commission

InvestEU Fund – State of Play

Volume of InvestEU operations (signed, per country)

PUBLIC



European Commission

Source: Progress reports as of April 2025; Eurostat for the GDP

InvestEU Fund – State of Play

Impact of financing supported by the InvestEU Fund

PUBLIC

KPI 3.1
Number of jobs (FTE)

Created **774,275**
Supported **4,809,044.9**

KPI 3.3
Investment supporting digitization

EUR 17.5 billion

KPI 3.4
Investment supporting industrial transition

EUR 115.5 billion

KPI 3.5 Investment supporting just transition

EUR 7.7 billion

40.7% of investment of the InvestEU Fund are targeted to **contribute to climate objectives**

76.6% Investment supporting **climate or environmental objectives** under SIW

Source: Operational reports as of 30 June 2025. These figures are provisional as some reports are to be validated.

European Commission

Examples of InvestEU supported operations (1/2)

PUBLIC

SIW (NIB)

Project Simpson



- 16-year loan with Ltd. WPR2 for the construction and operation of a **112 MW wind farm** in northern Latvia.
- The wind farm is expected to significantly increase Latvia's installed wind capacity.

€ 28 million

Latvia

SIW (EBRD)

RP Global Novalja d.o.o.



- Development and construction of **21 MW Novalja solar photovoltaic (PV) plant** in Croatia
- The project will cut CO_2 emissions by about 6,400 tonnes a year.

€ 12.2 million

Croatia

RIDW (InvestNL)

QuiX Quantum Holding B.V.



- Invest-NL supported QuiX in building **Europe's first quantum computer** that has the potential to significantly transform sectors such as healthcare, energy, and AI.
- The total funding round was € 15 million, which also included funding raised from EIC Fund and VC funds.

€ 15 million

The Netherlands

SMEW (EIF)

Sienna Hephaistos Private Investments



- First private credit vehicle in Europe exclusively dedicated to **providing debt financing for SMEs and midcaps operating in the defence sector**
- This investment is part of the InvestEU Defence Equity Facility (DEF)

€ 30 million

EU wide

European Commission

Examples of InvestEU supported operations (2/2)

SIW (EIF)



Serena Infra II

- Serena Infra II invests in early-stage projects linked to **sustainable mobility, water, social, digital infrastructure or energy transition**
- The fund has a pan-European scope and it is expected to invest in a portfolio of **eight to ten assets** with an average investment of €25 million to €30 million.

€ 75 million

Spain

SIW (EIB)



Evides Waterbedrijf

- The project supports **safe, high quality drinking water** for over 2.5 million residents across three provinces and to support the industrial water supply.
- It **improves the climate resilience** and sustainability of Evides' distribution network and infrastructure

€ 200 million

The Netherlands



SMEW (EIB))

Eurobank

- First InvestEU Guarantee transaction in Cyprus, signed by the European Investment Fund (EIF) and Eurobank
- Loan portfolio guarantee that will mobilise up to **€62.5 million in new loans for Cypriot small and medium-sized enterprises (SMEs) and start-ups**

€ 62 million

Cyprus



SIW (EIB)

Lisbon-Porto high-speed line

- The project supports the **construction of the Porto–Oiã** section which is the first tranche of the total EUR 3 billion financing package to support the construction of the new **high-speed connection between Lisbon and Porto**.

€ 875 million

Portugal

European Commission



III. InvestEU Advisory Hub

European Commission

The InvestEU **Advisory Hub**



PUBLIC



Provides advisory support for the identification, preparation, development, financial structuring, procuring and implementation of investment projects

Enhances the capacity of promoters and financial intermediaries to implement financing and investment operations

Visit our **new website**
europa.eu/**investeu**

#InvestEU #NextGenerationEU

InvestEU Advisory Hub

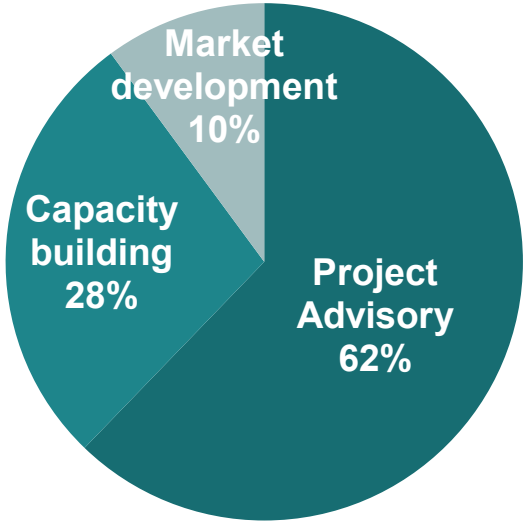
PUBLIC



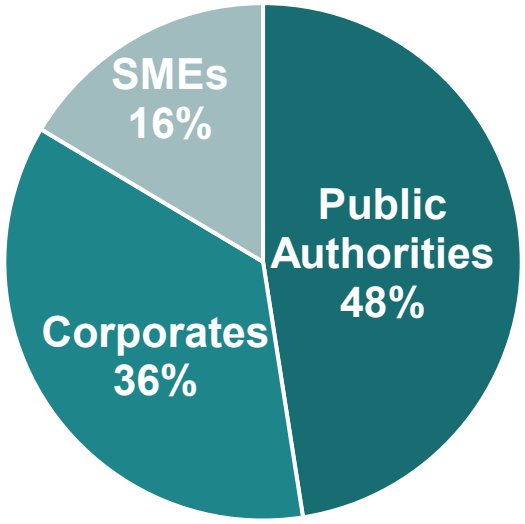
Empowering investment across the Member States through EU funded advisory support

- Budget: close to **EUR 700m (InvestEU, incl. Omnibus + top-ups** from other EU programmes)
- Strengthen the pipeline of impactful, investment-ready projects aligned with EU policy priorities.

WHAT WE OFFER



WHO BENEFITS



WHY IT MATTERS

- Prepares ground for quality investment projects
- Increases project's impact
- Bridge investment gaps
- Attract financing under the InvestEU

European Commission

InvestEU Advisory Hub

PUBLIC

Policy windows

- Sustainable Infrastructure
- Joint RDI&SMEs
- Social Investment & skills
- Cross-sectoral

Central entry point (EC)

Advisory Agreements (open architecture)

Advisory partners

European Investment Bank

European Bank for Reconstruction and Development

CEB – Council of Europe Development Bank

cdp

Caisse des Dépôts Groupe

bpifrance

CINEA

New upcoming partners

IFC International Finance Corporation – World Bank Group

Direct market access for beneficiaries

Beneficiaries

- Public authorities
- Corporates
- Projects/PPPs
- SMEs
- Start-ups and scale-ups

European Commission

Examples of InvestEU advisory assignments

European Investment Bank (EIB)

Strengthening defence infrastructure

Latvia will develop military base and training area in Selonia region, along with storage facility in Kuldīga Municipality.

EIB will provide advisory services to help assess and prepare a potential public-private partnership for the defence project.

Beneficiary: Ministry of Defence of the Republic of Latvia, the State Real Estate Agency of Latvia

Latvia

Bpifrance

Structuring and scaling a disruptive industrial project in advanced materials

French SME *Vulkam* received advisory support for project risk identification and structuring, improving commercial strategy for the construction of a 3,000 m² production facility. This resulted in the company receiving a €3 million loan from Bpifrance, backed by InvestEU and raising further €34 million from private investors.

Beneficiary: small and medium-sized enterprise

France

EBRD

Varna Port

Development of East, West, and Ferryboat terminals under a PPP model, including feasibility studies and procurement documentation.

Beneficiary: Ministry of Transport and Communications of the Republic of Bulgaria

Bulgaria

European Investment Bank (EIB)

InvestEU for Industrial Alliances in NZIA sectors

Financial advisory programme to identify innovative projects in target sectors and provide project preparation support to EU Industrial Alliances companies. Target sectors: wind, solar, hydrogen, batteries, automotive / EV manufacturing, shipping & maritime; biofuels / renewable fuels etc.

Beneficiaries: project promoters in NZIA sectors

EU-wide

European Commission

Thank you





© European Union 2020

Unless otherwise noted the reuse of this presentation is authorised under the CC 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 : inipagistudio / Freepik)

European Commission