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DRAFT GENERAL BUDGET OF THE EUROPEAN UNION

Working Document Part XI

#EUBudget

2027
FINANCIAL YEAR

Budgetary Guarantees, Common Provisioning and Contingent Liabilities

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EUROPEAN COMMISSION

DRAFT GENERAL BUDGET of the European Union

for the financial year 2027

Working Document

Part XI

2026

Directorate-General for Budget

Draft General Budget of the European Union for the Financial Year 2027

Working document Part XI
Budgetary Guarantees and Contingent Liabilities

COM(2026) 300 - June 2026

Draft Budget Working Documents

The 2027 Draft Budget is accompanied by twelve 'Working Documents', as follows:

Part I: Programme Performance Statements of operational expenditure

Working Document I contains, pursuant to Article 41(3)(h) of the Financial Regulation, the Programme Performance Statements, which provide for each spending programme comprehensive information on the financial implementation and progress in achieving the programme objectives as of the end 2025.

Part II: Human Resources of the EU institutions and executive agencies

Working Document II presents information on the human resources of the EU institutions and executive agencies, and in particular for the Commission, both for the establishment plans and for external personnel and across all headings of the multiannual financial framework. Moreover, pursuant to Article 41(3)(b) of the Financial Regulation, it provides a summary table for the period 2025 – 2027 which shows the number of full-time equivalents for each category of staff and the related appropriations for all institutions and bodies referred to in Article 70 of the Financial Regulation.

Part III: Bodies set up by the European Union having legal personality

Working Document III presents detailed information relating to all decentralised agencies and Joint Undertakings, with a transparent presentation of revenue, expenditure and staff levels of various Union bodies, pursuant to Article 41(3)(c) of the Financial Regulation.

Part IV: Pilot projects and preparatory actions

Working Document IV presents information on all pilot projects and preparatory actions which have budget appropriations (commitments and/or payments) in the 2027 Draft Budget, pursuant to Article 41(3)(f) of the Financial Regulation.

Part V: Budget implementation and assigned revenue

Working Document V presents the budget implementation forecast for 2026, information on assigned revenue (implementation in 2025 and estimation for 2027) and a progress report on outstanding commitments (RAL) pursuant to Article 41(3)(d) of the Financial Regulation.

Part VI: Commission expenditure under the administrative heading of the multiannual financial framework

Working Document VI encompasses administrative expenditure to be implemented by the Commission under the administrative heading of the multiannual financial framework (heading 7) in accordance with Article 317 of the Treaty on the Functioning of the European Union, as well as the budgets of the Offices (OP, OLAF, EPSO, OIB, OIL and PMO), pursuant to Article 41(3)(e) of the Financial Regulation.

Part VII: Commission buildings

Working Document VII presents information on buildings under Section III - Commission, pursuant to Article 272(1) of the Financial Regulation.

Part VIII: Expenditure related to the external action of the European Union

Working Document VIII presents information on human resources and expenditure related to the external action of the European Union, pursuant to Article 41(9) and (10) of the Financial Regulation.

Part IX: Funding to international organisations

Working Document IX presents funding provided to international organisations, across all MFF headings, pursuant to Article 41(3)(g) of the Financial Regulation.

Part X: Financial Instruments

Working Document X presents the use made of financial instruments, pursuant to Article 41(4) of the Financial Regulation.

Part XI: Budgetary Guarantees and Contingent Liabilities

Working Document XI presents the implementation of budgetary guarantees, and the assessment of the sustainability of the contingent liabilities arising from budgetary guarantees pursuant to Article 41(5) of the Financial Regulation.

Part XII: Payment schedules

Working Document XII presents summary statements of the schedule of payments due in subsequent years to meet budgetary commitments entered into in previous years, pursuant to Article 41(3)(i) of the Financial Regulation.

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OVERVIEW

This European Commission's report is the Working Document XI accompanying the Draft Budget 2027. In accordance with Article 41(5) of the Financial Regulation[1], the Commission, when granting budgetary guarantees, must report on the implementation of budgetary guarantees and on the sustainability of contingent liabilities arising from budgetary guarantees. In addition, this reports also covers financial assistance loans to third countries.

The first chapter of this Staff Working Document provides operational and financial information in respect of the six budgetary guarantee programmes implemented by the end of 2025. The second chapter assesses the adequacy of provisioning[2] for contingent liabilities arising from budgetary guarantees and financial assistance programmes, such as Macro-Financial Assistance loans, Euratom loans to third countries and loans under the Reform and Growth Facility for the Western Balkans and Reform and Growth Facility for the Republic of Moldova.

1. Presentation of the budgetary guarantees and situation at end 2025

This report covers six programmes, with budgetary guarantees for internal policies (where the final beneficiaries are predominantly located in the EU), and budgetary guarantees for external policies (where the final beneficiaries are predominantly located outside the EU).

On the **internal** side, the report covers the European Fund for Strategic Investments programme ("EFSI") and its successor programme InvestEU as of March 2021[3].

On the **external** side, the report provides information on the External Lending Mandate ("ELM") which covers mainly sovereign-like risk, and on the European Fund for Sustainable Development ("EFSD") which covers mainly private risk. It then includes their successor programme, the European Fund for Sustainable Development Plus ("EFSD+") that covers both sovereign-like and private risk as set up by the NDICI Regulation ("NDICI") in 2021[4]. The report also includes information on the Ukraine Guarantee under the Ukraine Investment

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1 Regulation (EU, Euratom) 2024/2509 of 23 September 2024 on the financial rules applicable to the general budget of the Union.

2 It will be assessed whether the provisioning rate is still adequate and whether there is a provisioning surplus or deficit.

3 Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017.

4 Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009.

Framework ("UIF") which is the budgetary guarantee to support investment in Ukraine established by the Ukraine Facility Regulation ("UF") in 2024[5].

The following observations are relevant for all budgetary guarantees:

- Aggregating, or conducting comparative analysis across, the budgetary guarantee programmes has traditionally been challenging, as the six programmes were established at different times, target different types of investment and apply different provisioning rates. They stem from Multiannual Financial Framework ("MFF") periods. ELM is the longest-standing programme, having been established in 1977 and renewed across successive MFF periods. EFSI was established in 2015, while EFSD was launched in 2017. EFSD+, InvestEU and the UIF only became operational under the current MFF. Consequently, each budgetary guarantee is at a different stage of implementation. ELM has a long track record, whereas the constitution periods of EFSI[6] and EFSD ended in 2022 and 2024 respectively. By contrast, the investment phase of InvestEU, EFSD+ and, in particular, the UIF began in 2024.

- The six budgetary guarantee programmes also differ in **several fundamental features.** They support different products, such as debt and equity, and use different implementation models, ranging from a single exclusive implementing partner to an "open architecture" approach involving multiple implementing partners. A brief summary of each budgetary guarantee is set out below:

  - **ELM** offers two types of products: primarily direct sovereign lending and, to a more limited extent, private lending. It is implemented exclusively by the EIB.

  - **EFSI** is organised into two windows: the Infrastructure and Innovation Window ("IIW") and the SME Window ("SMEW"). Different products are deployed under each window. EFSI also relies on a single exclusive implementing partner, namely the EIB Group.

  - **EFSD** is implemented by seven counterparts, which deploy a range of financial products with different risk profiles across five key sectors: small business finance, sustainable energy and connectivity, local currency finance, digitalisation, and sustainable cities.
  - **InvestEU** and **EFSD+** build on the experience of, respectively, EFSI and EFSD. Both programmes are characterised by a greater number of implementing partners

[5] Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility.

[6] In operational terms, the partial combination of the EFSI and InvestEU debt portfolios entails the continued redeployment of EFSI guarantee capacity to newly originated InvestEU operations. As a result, an adequate level of provisioning must be maintained to cover the associated risk exposure throughout the implementation period.

due to the "open architecture" model introduced in this MFF and offer a relatively broad range of products.

- **UIF** is executed by several implementing partners and is designed to provide financing aligned with the priorities set out in the Ukraine Plan (Pillar I). The UIF (Pillar II) also forms part of the UF, which aims to mobilise public and private investment for Ukraine's recovery and reconstruction, while also supporting its path towards EU accession.

- The six guarantee programmes mentioned above have a **different geographical focus** which also influences their risks. EFSI and InvestEU help to overcome investment gaps within the European Union and associated countries. ELM, EFSD, EFSD+ and the UIF are part of the European Union's external policies and entail supporting investment in third countries (with ELM and EFSD+ Investment Window 1 and 2 mainly focusing on sovereign and sub-sub-sovereign counterparts, while EFSD and EFSD+ Open Architecture and Investment Window 4 mainly targeting private sector operations). The UIF aims to support recovery and reconstruction investments undertaken by Ukrainian authorities, private sector companies, municipalities, state-owned enterprises or other actors only in Ukraine.

- This explains why each guarantee programme has a specific risk profile, requiring **different provisioning rates**:

  - **EFSI,** with a legal maximum guarantee amount of EUR 26 billion, has a target provisioning rate of 35%.

  - **InvestEU**, with a maximum guarantee amount of EUR 29.1 billion[7], has a target provisioning rate of 40%.

  - The corresponding rate for **EFSD**, with a maximum guarantee amount of EUR 1.54 billion and **EFSD+ Open Architecture**, including Investment Window 4, with a guarantee amount of EUR 13.1 billion, is 50%.

  - For **ELM**, with a maximum guarantee of EUR 70.87 billion[8], and **EFSD+ Investment Window 1 and 2,** that have a combined maximum guarantee amount of EUR 26.56 billion, the target provisioning rate for the portfolio is 9%.

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7 Following the entry into force of Regulation (EU) 2025/2005 of 16 December 2025. This amount does not cover contributions from third countries or contributions received in the form of blending operations from other EU sectoral programmes. This amount also does not include the additional guarantees implemented under the InvestEU Member State compartments

8 This amount is calculated as a sum of the respective external mandates' authorised ceilings multiplied by the corresponding guarantee rates (i.e. for each mandate, the thickness of the portfolio-level first loss cover provided by the EU).

- The **UIF** guarantee accounts for EUR 7.8 billion and currently has a provisioning rate of 70%.

- The provisioning method for the ELM guarantee differs from that of EFSI, InvestEU, EFSD, EFSD+ and UIF. The legacy external action compartment of the Common Provisioning Fund (the former Guarantee Fund for External Actions or GFEA), which holds the provisions for ELM (and also the provisions for legacy Macro-Financial Assistance and non-EU Euratom loans) is provisioned **ex-post (based on disbursed amounts)**. All other guarantees are provisioned **ex-ante** in accordance with Article 214 of the 2024 Financial Regulation.

- At the end of 2025, the total outstanding risk for the EU budget **on signed operations by implementing partners** under the six budgetary guarantee programmes amounted to **EUR 77.57 billion**[9]. This compares to a maximum potential envelope of guaranteed operations of **EUR 112.58 billion** allowed and available by the **guarantee agreements signed between the Commission and implementing partners**. Most of the remaining space is accounted for by InvestEU, UIF and EFSD+ which are all in ramp-up phase and expected to reach full deployment by 2028.

Budgetary Guarantee programme	EU Guarantee available and signed with implementing partners[10]	EU risk for operations signed by implementing partners
EFSI	EUR 25.1 billion	EUR 21.4 billion
InvestEU	EUR 28.5 billion	EUR 15.5 billion
EFSD	EUR 0.58 billion	EUR 0.57 billion
EFSD+ (Investment Windows 1,2 4, and Open Architecture)	EUR 34 billion	EUR 16.5 billion
ELM	EUR 20.9 billion	EUR 20.9 billion
UIF	EUR 3.5 billion	EUR 2.7 billion
Total	**EUR 112.58 billion**	**EUR 77.57 billion**

[9] For comparison, in 2021 the total risk for the EU budget based on operations signed by implementing partners was EUR 58.6 billion, in 2022 it was EUR 62.3 billion, in 2023 it was 66.2 billion and in 2024 it was 72.5 billion.

[10] Guarantee ceiling in the guarantee agreements signed and effective minus all net payments that reduce the guarantee cap minus guarantee released.

- The **investment impact** of the EU budgetary guarantees, including the own contributions of implementing partners, can be summarised by the following key figures as at year-end 2025:

  - **EFSI** supported 960,171 final recipients and financing to final recipients of more than EUR 408 billion in amounts transferred. This in turn lead to total mobilised investments of EUR 474.5 billion while EUR 76.2 billion were disbursed at the end of 2025.

  - **InvestEU** implementing partners approved EUR 83.88 billion of operations, of which EUR 57.9 billion were signed and EUR 13.6 billion disbursed. This is expected to mobilise EUR 397.11 billion of total investments (EUR 363.82 billion for the EU-Compartment only). Based on already disbursed operations, InvestEU has mobilised EUR 142.3 billion.

  - Under **EFSD** more than 4.5 million final recipients have been supported with a total amount of operations signed accounting for EUR 2.4 billion and the total amount disbursed accounted to EUR 1.7 billion.

  - Under **EFSD+** (Investment Window 1 and 2, the Open Architecture Window and Investment Window 4) the implementing partners signed EUR 18.3 billion and disbursed EUR 3.6 billion in more than 36,000 final recipients.

  - The **ELM** programme allowed the EIB to disburse loans for in total EUR 70.7 billion[11]. The ELM supported 668 final recipients and estimates are that ELM has mobilised investment by final recipients of EUR 141 billion[12].

  - The **UIF** continued with a fast deployment in its second year enabling implementing partners to sign operations totalling EUR 3.6 and disburse EUR 1.7 billion.

[11] A figure which excludes activities in countries which meanwhile have become EU Member States.

[12] Reflecting the EIB's rule of co-financing up to 50% of total project costs

2. Assessment of adequacy of the provisioning

The second chapter assesses the adequacy of provisioning for contingent liabilities arising from budgetary guarantees and financial assistance programmes, such as Macro-Financial Assistance loans, Euratom loans to third countries and loans under the Reform and Growth Facility for the Western Balkans and Reform and Growth Facility for the Republic of Moldova. This assessment is important in verifying that the EU budget remains adequately equipped to contend with losses that may arise from these financial operations.

The assessment mainly relies on the statistical credit risk models that estimate potential future losses, complemented by expert judgement where necessary. These models consider a variety of qualitative and quantitative factors, including default probabilities, loss given default assumptions, portfolio correlation effects as well as the specific characteristics of the underlying operations based on data provided by the implementing partners.

As of 31 December 2025, having analysed the adequacy of the provisioning for the different budgetary guarantees, financial assistance programmes and Euratom loans as set out in this report, the Commission confirms that the available provisioning amount for the relevant CPF compartments are in line with the requirements of the respective Regulations. For budgetary guarantee fully constituted for which the eligible period for signatures elapsed, the Commission must perform the surplus/replenishment assessment required under Article 216(4) of the Financial Regulation. **For GFEA, EFSI, EFSD programmes, a surplus provisioning was identified. The Commission concludes that the CPF provisions are adequate to cover the liabilities arising from guarantee programmes and financial assistance programmes.**

For the individual budgetary guarantees and financial assistance to third countries, the conclusions are:

- **EFSI** is a budgetary guarantee fully constituted for which the eligible period for signatures elapsed end 2022. Based on the EFSI provisions and the total guarantee amount, the *de facto* provisioning rate stood at 37.2%. resulting in a regulatory surplus vis a vis the target provisioning rate of EUR 475 million. In line with the current wording of the provisions of the Public Sector Loan Facility (PSLF) and the InvestEU Regulation, this can be allocated to the financing of the PSLF and to the provisioning of InvestEU[13,14]. In addition, the Commission concluded this year that the EFSI target

[13] Article 5 of the PSLF Regulation provides that the PSLF budget will amount to EUR 250 million from the budget and up to a maximum amount of EUR 1.27 billion from assigned revenues (the later amount shall be provided up to a maximum amount of EUR 275 million from repayments of legacy financial instruments and up to a maximum amount of EUR 1 billion from potential EFSI surpluses). In a similar manner, Article 35 of the InvestEU Regulation provides that any recoveries, repayments, revenues from legacy financial instruments and overprovisioning under Article 213(4) (i.e. surplus and not the revenues as such) of EFSI may be used for the provisioning of InvestEU.

[14] Regulation (EU) 2025/2005 of the European Parliament and of the Council of 16 December 2025 amending Regulations (EU) 2015/1017, (EU) 2021/523, (EU) 2021/695 and (EU) 2021/1153 as regards increasing the efficiency of the EU guarantee under Regulation (EU) 2021/523 and simplifying reporting requirements.

provisioning rate of 35% is higher than the risk measurement based on the Value at Risk (VaR), which points at a required risk-based provisioning rate of 31.6% (down from 34% in the previous year).

- **EFSD** is also fully constituted as the eligibility period of signatures elapsed as of end-2024. Based on the available EFSD provisions and the total guarantee amount, the *de facto* provisioning rate stood at 140% resulting in a regulatory surplus vis a vis the target provisioning rate of EUR 519 million[15]. The risk-based provisioning need is slightly higher than the regulatory one (54% versus 50%) resulting in a risk-based surplus of EUR 496 million. According to the Regulation (EU) 2026/995 amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee, the regulatory surplus of provisions for the EFSD guarantee shall be used for the provisioning of the budgetary guarantee supported by EFSD+ in 2026. The Commission concluded this year that the EFSD target provisioning rate of 50% is adequate as only slightly lower than the risk measurement based on the VaR, which points to a risk-based provisioning rate of 54% (down from 61% in the previous year).

- The **GFEA**, which holds the provisioning for pre-2021 MFA loans, ELM loans and Euratom loans, currently has a *de facto* provisioning rate of 11.4%. Pursuant to the GFEA Regulation, which establishes a target provisioning rate of 9% and stipulates that any provisioning in excess of 10% shall be returned to the EU budget, a regulatory surplus of EUR 447 million has arisen. The Commission concluded that the GFEA does not face liquidity risks in the short and medium terms and the 9% provisioning rate is adequate.

- For the **ELM repurposed loans to Ukraine**, the Commission considers that a provisioning rate of 70% is still adequate.

- **InvestEU**, **EFSD+** and **UIF** are still in the ramp-up phase, which means that the underlying portfolios and provisioning are not fully constituted yet. Therefore, it is too early to draw conclusions regarding the adequacy of the provisioning rates for these guarantees.

- For **post 2020 Macro-Financial Assistance loans backed by the External Action Guarantee (EAG) and loans under the Western Balkan Facility and Facility for Moldova,** the portfolio is still in the ramp-up phase, which means that the underlying portfolios and provisioning are not fully constituted. Therefore, it is too early to draw final conclusions regarding the adequacy of the provisioning rates.

[15] Regulation (EU) 2026/995 of the European Parliament and of the Council of 29 April 2026 amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee stipulates any surplus of provisions for the EFSD guarantee shall be used for the provisioning of the budgetary guarantee supported by EFSD+.

INTRODUCTION

This is the sixth report under Article 41(5) of the Financial Regulation. This article requires the Commission to attach to the Draft Annual Budget a Staff Working Document with:

- information on each EU budgetary guarantee programme;
- an assessment of the provisioning adequacy to cover liabilities borne by the budget arising from budgetary guarantees and financial assistance; and
- for fully constituted CPF compartments, whether there is a provisioning surplus or deficit.

The Article 41(5) report has dedicated sections on each of the topics mentioned above.

As for the section on contingent liabilities, the Article 41(5) report assesses the **provisioning rate adequacy** of the Union's individual guarantee programmes and financial assistance to third countries programmes and verifies whether there is a provisioning deficit or surplus. It is important to recall that a consolidated assessment of the Union's contingent exposures - including the **headroom assessment** which considers the Commission's unprovisioned exposures - will be provided in the (annual) Article 256 report[16] which is scheduled to be published in the autumn of 2026.

In the following paragraphs, a brief overview of the content of each section will be provided. Specifically, it will be explained how the various requirements of Article 41(5) Financial Regulation are addressed within the different sections.

1. Budgetary Guarantees

This section will cover the entire implementation period from the launch of each given budgetary guarantee until 31 December of the reference year (which for this year's report is 2025).

This section covers six budgetary guarantees, two of which are part of the Commission's internal policy actions (EFSI and InvestEU), while the other four fall under the Commission's external policy actions (ELM, EFSD, EFSD+ and UIF).

As per the relevant provisions of Article 41(5), the analysis of each individual budgetary is summarised in the three following parts:

- Part A: Description;
- Part B: Operational performance; and
- Part C: Financial information.

[16] Report from the Commission to the European Parliament and the Council on contingent liabilities arising from budgetary guarantees and financial assistance and the sustainability of those contingent liabilities.

Part A. Description

Items of Article 41(5) covered:	− (a): a reference to the budgetary guarantee and its basic act, together with a general description of the budgetary guarantee, its impact on the financial liabilities of the budget, its duration and the added value of Union support; − (b): the counterparts for the budgetary guarantee, including any issues relating to the application of Article 158(2).

Part B. Operational performance

Items of Article 41(5) covered:	− (c): the budgetary guarantee's contribution to the achievement of the objectives of the budgetary guarantee, as measured by the indicators established, including, where applicable, the geographical diversification and the mobilisation of private sector resources; − (d): information on operations covered by the budgetary guarantee on an aggregated basis by sectors, countries and instruments, including, where applicable, portfolios and support combined with other Union actions; − (e): the amount transferred to recipients as well as an assessment of the leverage effect achieved by the projects supported under the budgetary guarantee.

Part C. Financial information

Items of Article 41(5) covered:	− (f): information aggregated on the same basis as referred to in point (d) on calls on the budgetary guarantee, losses, returns, amounts recovered, and any other payments received.

2. Contingent Liabilities

This section of the report will assess the adequacy of the provisioning rate, and the sustainability of **individual contingent liabilities** generated by budgetary guarantees and financial assistance (i.e. provisioned contingent liabilities). As already explained above, a **consolidated analysis** (including unprovisioned contingent liabilities) will be made in the Commission's Article 256 report.

Items of Article 41(5) covered:	− (g): amount of provisioning for liabilities arising from each budgetary guarantee, and an assessment of the adequacy of its provisioning rate and of the need for its replenishment; − (h): the effective provisioning rate of the common provisioning fund and, where applicable, the subsequent operations in accordance with Article 216(4).

1. BUDGETARY GUARANTEES

1.1 EUROPEAN FUND FOR STRATEGIC INVESTMENTS

1.1.1 DESCRIPTION

Identification/Reference to the basic act	
Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1).	
Maximum amount of budgetary guarantee (in EUR)	**of which signed with counterparts**
26,000,000,000	26,000,000,000
of which ceiling authorised in the legal basis (in EUR)	**Counterparts**
26,000,000,000	European Investment Bank (EIB), European Investment Fund (EIF).
of which from external contributions (in EUR)	
0	

Budget Line				
02.02.99.12				
	Cumulative to 2025	**2026**	**2027**	**Total**
Budgetary commitment appropriations (in EUR)	**9,980,593,560**	**p.m.**	**p.m.**	**9,980,593,560**
of which from voted budget	8,425,000,000	p.m.	p.m.	8,425,000,000
of which from internal assigned revenues	1,555,593,560	p.m.	p.m.	1,555,593,560
of which from external assigned revenues	N/A	N/A	N/A	0
Budgetary payment appropriations (in EUR)	**9,980,593,560**	**p.m.**	**p.m.**	**9,980,593,560**
of which from voted budget	8,425,000,000	p.m.	p.m.	8,425,000,000
of which from internal assigned revenues	1,555,593,560[17]	p.m.	p.m.	1,555,593,560
of which from external assigned revenues	N/A	N/A	N/A	0

[17] A correction has been made to the figure reported in the draft document accompanying Draft Budget 2025, due to the 2024 amount being inadvertently double counted.

General description

The European Fund for Strategic Investments ('EFSI') was established in 2015 – as part of the Investment Plan for Europe (also known as the Juncker Plan) - to help bridge the investment gap in the European Union ('EU'), with the goal of promoting long-term economic growth and enhancing the global competitiveness of the EU. Through the EFSI budgetary guarantee, the EU partially covers the risk of operations of the European Investment Bank (EIB) and the European Investment Fund (EIF) to support economically viable projects, with a particular focus on higher risk projects, in priority sectors of key importance for the European economy, including:

- Strategic infrastructure including digital, transport and energy;
- Education, research, development and innovation;
- Renewable energy and resource efficiency; and
- Support for small and mid-sized businesses.

To enhance the efficiency of the EU guarantee risk bearing capacity, on 1 April 2022 two debt portfolios under EFSI (EIB Debt Standard and EIB Debt Hybrid) were combined with portfolios of new operations under InvestEU (D1 and D2 Portfolios). To this end, losses, revenues and repayments for these portfolios are attributed pro-rata between the EFSI and the InvestEU guarantees. However, in this report, the provisioning adequacy assessment of EFSI and InvestEU takes place separately in line with their respective Regulations.

Implementation cycle

EFSI provides a EUR 26 billion budgetary guarantee from the EU budget to cover the risk of operations by counterparts (EIB and EIF). This amount is complemented by EUR 7.5 billion own resources allocation of the EIB (not covered by the EFSI guarantee). The total amount of EUR 33.5 billion guarantees EFSI operations signed by counterparts with financial intermediaries and final recipients unlocking additional private and public investments.

As at 31 December 2025, the value of operations signed by counterparts with the support of EFSI guarantee amounted to EUR 78.76 billion, from which EUR 76.24 billion have already been disbursed to final recipients. The total estimated value of investments mobilized by signed operations amounted to EUR 474.53 billion.

In 2015, the EFSI Guarantee Fund was established to protect the EU budget from losses arising from operations covered by the EFSI guarantee by provisioning part of the EU guarantee with funds from the EU Budget. The EFSI Regulation set the target provisioning rate at 35% of outstanding obligations under the EU guarantee. On 1 January 2021, the assets of the EFSI Guarantee Fund were transferred to the EFSI compartment of the Comon Provisioning Fund ('CPF').

As at 31 December 2025, the cumulative provisioning committed and paid to the CPF under EFSI amounted to EUR 9.980 billion, out of which EUR 8.425 billion from the EU budget and EUR 1.556 billion from assigned revenues.

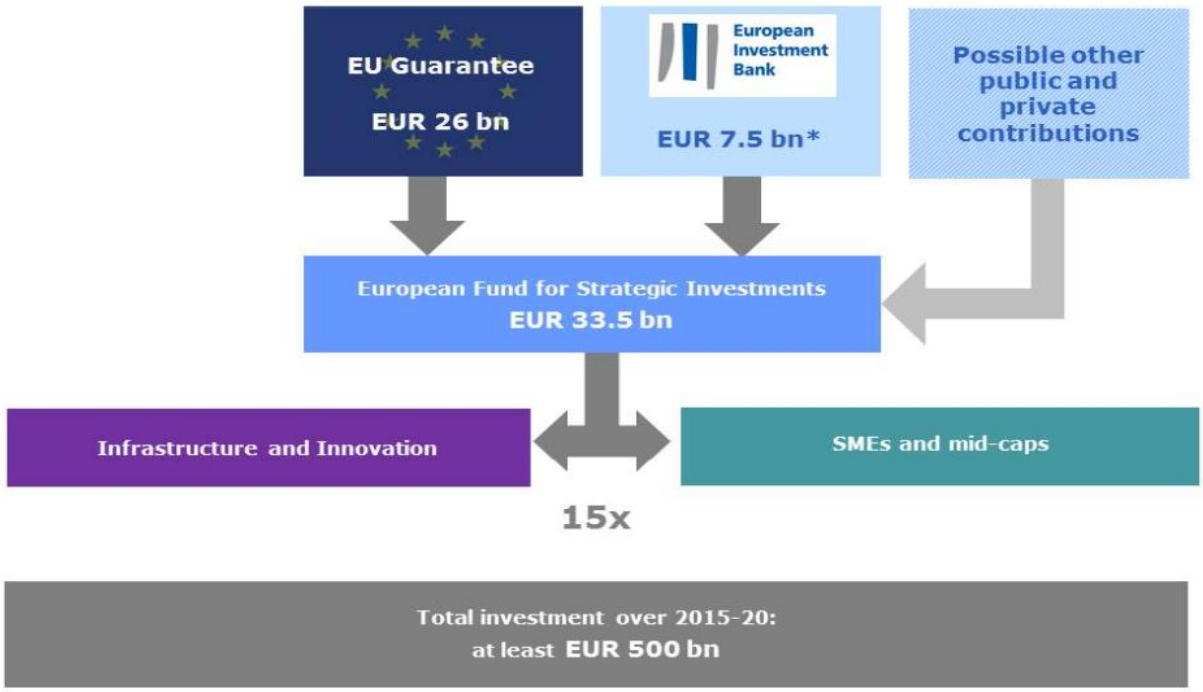
Implementation arrangements

EFSI is implemented under indirect management exclusively by the EIB Group (EIB and EIF).

EFSI has two windows:

- the Investment and Innovation Window (IIW), managed by the EIB and comprising four portfolios[18].
- the SME Window (SMEW), managed by the EIF and comprising 11 products.

Implementation diagram



** Contributions from EIB own resources.*

Duration

The period for the approval of EFSI-supported operations ended on 31 December 2020, whereas contracts between the EIB/EIF and the final recipient or financial intermediaries could be signed until 31 December 2022. Given the long-term nature of the support provided under EFSI, the EU guarantee coverage and the operational monitoring will continue until all exposures and liabilities in relation to EFSI operations have been fully discharged.

[18] As of 1 April 2022, the EFSI IIW Debt Standard Portfolio was combined with the InvestEU D1 Portfolio, whereas the EFSI IIW Debt Hybrid Portfolio was combined with the InvestEU D2 Portfolio

Added Value

In the aftermath of the 2008 financial crisis, the EU suffered from low levels of investment. Collective and coordinated efforts at European level were needed to put Europe on the path of economic recovery. The Investment Plan for Europe focused on making smarter use of new and existing financial resources (through EFSI), providing visibility and technical assistance to investment projects (through the European Investment Project Portal and the European Investment Advisory Hub) and removing obstacles to investment. Action at the Union level enabled greater economies of scale by combining EU budget funds with EIB Group financing, effectively mobilising both private and public investment across the Union and making optimal use of available expertise and knowledge. This way, the impact and benefits are much greater than what could be achieved by isolated investment efforts in a single Member State or a group of Member States.

The demand-driven nature of the instrument, i.e. neither country-specific nor sectorial project allocation, provided for greater attractiveness for investors and lower aggregated risks. The investments supported under EFSI contributed to key EU policy priorities, including the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth, quality job creation and economic, social and territorial cohesion.

Application of Article 158.2 FR

The EFSI Agreement sets out that the EIB and the EIF should apply their respective rules, policies and procedures, including the EIB Group Non Cooperative Jurisdictions ('NCJ') Policy and the EIB Group Anti-Money Laundering and Combating Financing of Terrorism Framework, to address the requirements in respect of money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion contained in Article 22 of the EFSI Regulation and to reflect the prohibition to enter into new or renewed operations with entities incorporated or established in jurisdictions listed under the relevant EU policy on non-cooperative jurisdictions or that are identified as high-risk third countries.

None of the signed EFSI guaranteed operations were entered into with financial intermediaries incorporated in non-cooperative jurisdictions listed under the relevant Union policy.

Support combined with other Union actions

As at 31 December 2025, 67 EFSI operations also benefited from support stemming from shared management funds (European Structural and Investment Funds ("ESIF")) and other EU funds; of which 53 under the IIW and 14 under the SMEW. More details are available in the table below:

	EFSI operations co-financed with ESIF/other EU funds	
	Number	**Signed amount (EUR million)**
IIW	53	4,631.18
SMEW	14	197.28
Aggregated	67	4,828.46

1.1.2 Operational Performance

As at 31 December 2025, EFSI enabled the EIB Group to sign riskier financing and investment operations totalling EUR 78.76 billion. In terms of number of operations and total mobilised investment, the EIB Group signed 1,497 EFSI operations for a total investment mobilised of EUR 474.5 billion. Out of this total, EUR 278.5 billion for Infrastructure and Innovation Window investments (681 signed operations) and EUR 196 billion (816 signed operations) under the SME Window. EFSI operations were structured to mobilise private sector capital to the extent possible. Of the EUR 474.5 billion of total investment mobilised under EFSI, EUR 321.7 billion correspond to private sector resources, which represents about 67.8%.

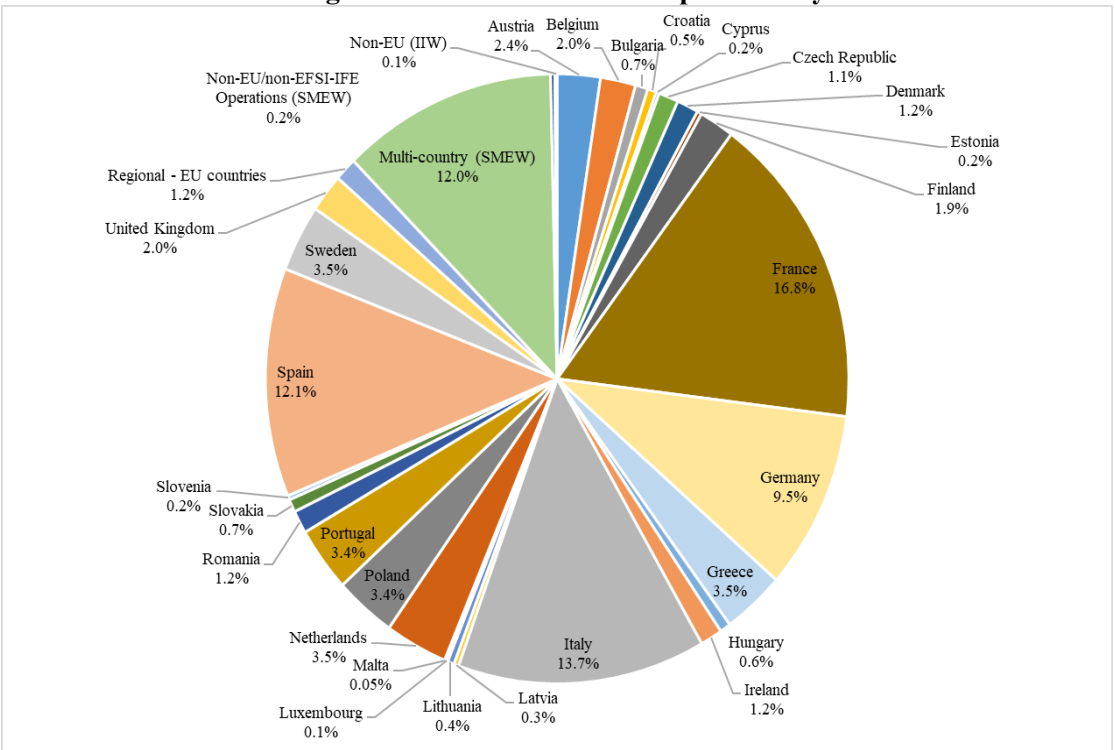
Key Figures (as at 31/12/2025)

Total amount of operations signed by counterparts (in EUR)	78,762,257,351
Total amount of operations disbursed (in EUR)	76,237,977,701
Amount transferred to final recipients (in EUR)	408,370,923,924
Number of final recipients	960,171
Investments made by final recipients	474,528,878,441
Private sector resources mobilised	321,671,816,616
Leverage (ratio)	13.64
Multiplier effect (ratio)	15.83

Geographical diversification

EFSI has benefitted all Member States and the UK. Top beneficiary countries in total signed EFSI financing are France, Italy, Spain, Germany and Sweden. In terms of financing signed relative to GDP, the top beneficiaries are Greece, Portugal, Spain, Finland, and Latvia.

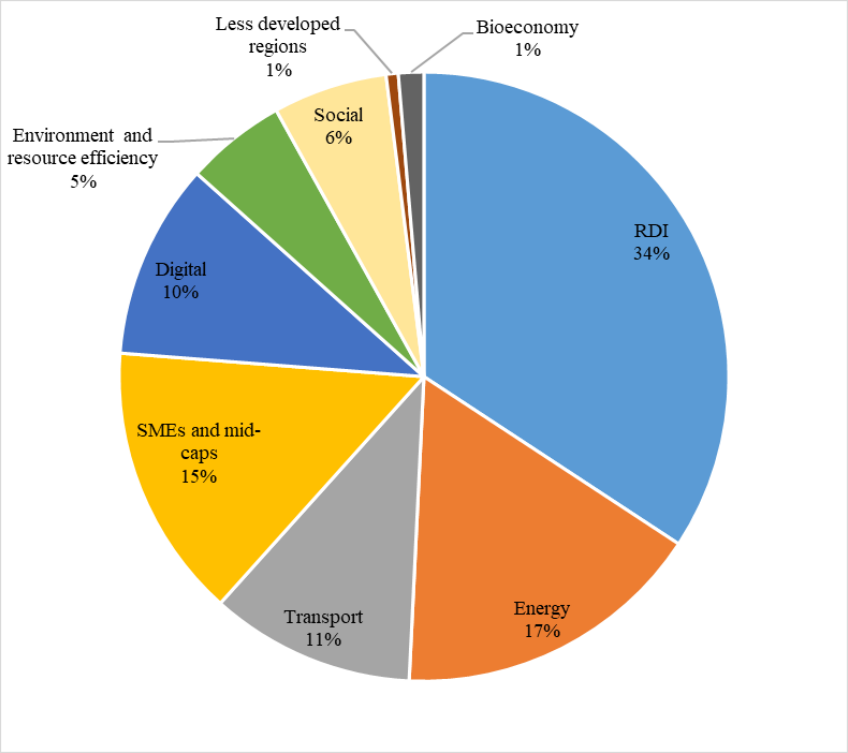
Signed amounts – breakdown per country



Sectoral diversification

The Research Development & Innovation ("RDI") sector accounted for 34% of signed operations amounts, the energy sector for 17% and SME and mid-caps sector for 15%.

Signed amounts – breakdown per sector



Contribution to the achievement of the EFSI objectives

EFSI was designed with the objective to boost investment in the EU, in particular in clean and sustainable infrastructures required for a *modern knowledge economy*[19]. During its implementation period, EFSI supported the signing of 1,497 investment operations throughout the European Union, mainly in sectors related to knowledge and innovation (RDI), clean energy and transport and digital infrastructures. In total, 42.7% of EFSI financing in the Infrastructure and Innovation Window supports project components that contribute to climate action.

[19] Recital 1, Regulation (EU) 2015/1017 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments.

1.1.3 FINANCIAL INFORMATION

Financial information at the level of budgetary guarantee

The available guarantee under EFSI signed with counterparts, after deducting guarantee calls and other expenses covered by the guarantee, amounted to EUR 25.1 billion at the end of 2025. The EU guarantee corresponding to outstanding EFSI operations disbursed by the EIB Group to final recipients or financial intermediaries for equity operations (or by financial intermediaries to final recipients in case of bank guarantee products) totals EUR 20 billion as at 31 December 2025.

all figures in EUR

	EU contingent and financial liability	
	31/12/2025	31/12/2024
Available guarantee signed with counterparts	25,119,247,815	25,372,947,560
EU risk for operations signed by counterparts	21,448,567,183	22,997,898,253
EU risk for operations signed by counterparts and disbursed	19,981,848,754	21,033,116,500

Under the EFSI Agreement, the EU is remunerated for the guarantee it provides. Till end 2025, the EU has received EUR 2.5 billion (of which EUR 319.8 million in 2025) of revenues, mainly from debt products, where the risk-related revenues are shared between the EU and the EIB on a risk commensurate basis.

The revenues have been partially used to cover the guarantee calls, funding costs, fees and other expenses incurred under the EFSI guarantee, while the remaining part was integrated in the EU budget as internal assigned revenues.

all figures in EUR

	EU guarantee revenues	
	2025	Cumulative until 31-12-2025
EU guarantee revenues	319,828,221	2,520,997,093

To end 2025, the guarantee covered calls of EUR 657 million (cumulative) of which a part also related to equity value adjustments. Should the value of those investments increase in the future, the amount called for value adjustments would be reimbursed to the EU.

all figures in EUR

	Guarantee calls and recoveries	
	2025	Cumulative until 31-12-2025
Guarantee calls	213,573,413	657,002,683
Recoveries	1,911,876	6,325,030
Net guarantee calls	211,661,510	650,677,680

Under EFSI, fees were paid to the EIF for the implementation of the products under the SME window. As at 31 December 2025, the cumulative fees paid to the EIF for this concept total EUR 298 million, which were mainly covered by the revenues due to the EU under the guarantee. In addition, the EU has incurred a cumulative amount of EUR 239.6 million of other expenses (recovery costs, funding costs, other) out of which EUR 43.5 million in 2025, covering mainly the funding costs for equity operations.

all figures in EUR

	Expenses	
	2025	**Cumulative until 31-12-2025**
Fees to counterparts	13,399,774	298,041,000
Other expenses (recovery costs, funding costs, other)	43,496,638	239,558,068

Financial information at the level of budgetary guarantee

all figures in EUR as of 31/12/2025

	EIB-Debt Standard (combined with Invest EU D1 Portfolio)	EIB Debt Hybrid (combined with InvestEU D2 Portfolio)	EIB-Equity
Overview			
Effective	Yes	Yes	Yes
Counterpart	European Investment Bank	European Investment Bank	European Investment Bank
Description	Products and counterparts include - direct lending to public sector, direct lending to corporates and project finance, intermediated lending, credit enhancement for project finance, risk-sharing (partial delegation/de-linked), hybrid debt for regulated utilities. The EU covers 100% of the first loss piece (FLP), whereas the EIB retain the residual risk tranche (RRT).	Products and counterparts include - risk-sharing (full delegation), debt funds, and structured products (ABS/loan substitutes/ credit enhancements) The EU covers 100% of the FLP, whereas the EIB retain the RRT.	Products and counterparts include – infrastructure and climate equity funds, direct equity, co-investment with equity funds, debt funds, captive funds and/or Investment Platforms not sponsored by NPBs. The EU and the EIB cover pari-passu (50%) in each equity-type operation included in the IIW Equity Standard Portfolio.
Maximum guarantee signed with counterpart	13,240,000,000	2,000,000,000	4,010,000,000
Operation type	Debt, Guarantee	Debt, Guarantee	Equity
Risk-sharing structure	FLP - 100% (EU guarantee)	FLP - 100% (EU guarantee)	Pari-passu - 50% (EU Guarantee) & 50% (EIB)
Cumulative operations signed by counterpart	50,846,432,070		6,419,733,025
Cumulative operations disbursed by counterpart	53,082,975,916		5,506,820,893
EU contingent and financial liability			
Available guarantee signed with counterpart	14,865,196,941		3,543,928,677
EU risk for operations signed by counterpart	14,259,741,269		2,005,807,147
EU risk for operations signed by counterpart and disbursed	14,000,489,985		1,524,181,880
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	371,074,485		247,064,806
Cumulative recoveries	1,944,867		0
Cumulative net guarantee calls	369,129,618		247,064,806

	EIF-Debt	EIF-Equity
Overview		
Effective	Yes	Yes
Counterpart	European Investment Fund	European Investment Fund
Description	The product is delivered in the form of a second loss enhancement of a portfolio of uncapped guarantees supporting lending provided by financial intermediaries to RDI intensive SMEs and Small Mid-caps. The EU provides the FLP under the Horizon 2020 (InnovFin) financial instrument and, together with EFSI, provide a Junior Risk Tranche of 20%. The EIF takes the Senior Risk Tranche of 80%. EFSI credit enhancement was introduced to increase the size of the Horizon 2020 debt financial instrument.	The product aims at enhancing financing provided by financial intermediaries to SMEs, Small Midcaps, Social Sector Organisations and Social Enterprise in growth stage. The risk is shared on a pari -passu basis with EIB providing 95% financing (guaranteed by EFSI) and the EIF providing 5% of financing on its own risk. EU covers the Junior Tranche through the InnovFin Equity financial instrument which provides 45% of financing, whereas EFSI (26.5% of financing provided by the EIB) and the European Investment Fund (28.5%) covers the Senior Tranche.
Maximum guarantee signed with counterpart	3,450,000,000	3,300,000,000
Operation type	Guarantee	Equity
Risk-sharing structure	SLP	SLP
Cumulative operations signed by counterpart	15,054,427,268	6,441,664,988
Cumulative operations disbursed by counterpart	14,933,497,400	2,714,683,492
EU contingent and financial liability		
Available guarantee signed with counterpart	3,410,122,197	3,300,000,000
EU risk for operations signed by counterpart	2,755,169,518	2,427,849,249
EU risk for operations signed by counterpart and disbursed	2,776,002,899	1,681,173,990
Cumulative guarantee calls and recoveries		
Cumulative guarantee calls	38,771,416	91,976
Cumulative recoveries	4,380,136	0
Cumulative net guarantee calls	34,391,280	91,976

1.2 INVESTEU

1.2.1 DESCRIPTION

<table>
<tr><th colspan="2">Identification/Reference to the basic act</th></tr>
<tr><td colspan="2">Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017.

Regulation (EU) 2025/2005 of the European Parliament and of the Council of 16 December 2025 amending Regulations (EU) 2015/1017, (EU) 2021/523, (EU) 2021/695 and (EU) 2021/1153 as regards increasing the efficiency of the EU guarantee under Regulation (EU) 2021/523 and simplifying reporting requirements</td></tr>
<tr><th>Maximum amount of guarantee (in EUR)</th><th>of which available guarantee signed at 31/12/2025</th></tr>
<tr><td>30,559,370,377[20]</td><td>29,104,446,099</td></tr>
<tr><th>of which ceiling for EU budgetary guarantee authorised in the legal basis (in EUR)</th><th>Counterparts</th></tr>
<tr><td>29,052,310,073</td><td rowspan="3">Bulgarian Development Bank (BDB)
Bank Gospodarstwa Krajowego (BGK)
Bpifrance - Banque Publique d'Investissement
Banco Português de Fomento (BPF)
Caisse des Dépôts et Consignations (CDC)
Council of Europe Development Bank (CEB)
Cassa Depositi e Prestiti and
CDP Equity (CDP)
European Bank for Reconstruction and Development (EBRD)
European Investment Bank (EIB)
European Investment Fund (EIF)
Garantiqa
Instituto de Crédito Oficial (ICO)
InvestNL
Nordic Investment Bank (NIB)
Národní rozvojová banka (NRB)
ParticipatieMaatschappij Vlaanderen (PMV)
Förderbank für Nordrhein-Westfalen (NRW.BANK)</td></tr>
<tr><th>Member States contributions (in EUR)</th></tr>
<tr><td>2,771,299,829</td></tr>
<tr><th colspan="2">Budget Line</th></tr>
<tr><td colspan="2">02.02.02</td></tr>
</table>

[20] EU compartment only, including contributions from Norway and Iceland and top-ups.

	Cumulative to 2025	2026	2027	Following years	Total
Budgetary commitment appropriations (in EUR)	**9,902,686,722**	**222,747,462**	**274,806,000**	**0**	**10,400,240,184**
of which from voted budget	2,114,172,222	0	2,657,758	0	2,116,829,980
of which from NGEU	5,930,000,000	N/A	N/A	N/A	5,930,000,000
of which from fines	587,663,104	222,747,462	272,148,242	N/A	1,082,558,808
of which from internal assigned revenues	1,166,503,495	p.m.	p.m.	p.m.	1,166,503,495
of which from external assigned revenues	104,347,901	p.m.	p.m.	p.m.	104,347,901
Budgetary payment appropriations (in EUR)	**6,977,046,788**	**1,914,000,000**	**337,504,281**	**0**	**9,228,551,069**
of which from voted budget	940,225,657	750,000,000	337,504,281	p.m.	2,027,729,938
of which from NGEU	4,766,000,000	1,164,000,000	0	0	5,930,000,000
of which from fines	0	0	0	p.m.	p.m.
of which from internal assigned revenues	1,166,473,231	p.m.	p.m.	p.m.	1,166,473,231
of which from external assigned revenues	104,347,901	p.m.	p.m.	p.m.	104,347,901

General description

The InvestEU programme aims at creating the necessary conditions for the competitiveness of the EU economy and industry (in accordance with Article 173 of the Treaty on the Functioning of the European Union). This is done by providing financial products designed to address EU-wide and Member State specific market failures and suboptimal investment situations, which cannot be sufficiently achieved by the Member States, but can better be realised at EU level.

The maximum amount of the InvestEU budgetary guarantee was originally set in Regulation (EU) 2021/523 at EUR 26 152 310 073 (Contributions from Member States and Third countries do not affect this maximum amount). Regulation (EU) 2025/2005 of 16 December 2025 (The InvestEU "Omnibus") increased the maximum amount to EUR 29 052 310 073.

Implementation cycle

The InvestEU programme consists of:

- the **InvestEU Fund,** operating through an EU budgetary guarantee covering four policy windows that address market failures or sub-optimal investment situations within their specific scope.
- the **InvestEU Advisory Hub**; and
- the **InvestEU Portal**.

InvestEU is a demand-driven instrument, that aims to respond to the investment and finance needs of public and private market participants and to support financing and investment operations that require risk-sharing through the EU budget to unlock additional private and public finance.

Blending operations supported by different EU programmes and funds can also be implemented under InvestEU (Article 6 of the InvestEU Regulation). Furthermore, in accordance with Article 10 of the InvestEU Regulation, Member States may contribute to the InvestEU Member State compartment with Recovery and Resilience Facility funds, shared management funds and also Member State own contributions. In addition, starting from 2023, complementary third country contributions from two EFTA countries (Norway and Iceland) also increased the guarantee and the provisioning for the InvestEU Fund.

For the provisioning of the EU guarantee implemented under the blending operations and the ones related to the InvestEU Member State compartments, separate InvestEU compartments were created in the Common Provisioning Fund (CPF). Contributions from Norway and Iceland are part of the EU compartment of the CPF.

InvestEU operates under the following four policy windows:

1. supporting financing and investment operations related to sustainable infrastructure (**Sustainable Infrastructure Window – SIW**);

2. supporting financing and investment operations related to research, innovation and digitisation (**Research, Innovation and Digitization Window – RIDW**);

3. increasing access to and the availability of finance for small and medium-sized enterprises (SMEs) and small mid-cap companies and enhancing their global competitiveness (**SME Window – SMEW**) and;

4. increasing access to and the availability of microfinance and finance for social enterprises, to support financing and investment operations related to social investment, competences and skills, and to develop and consolidate social investment markets (**Social Investments and Skills Window – SISW**).

Under InvestEU, the EU provides support through an EU budgetary guarantee of EUR 29.1 billion[21] covering losses to the counterparts. The budgetary guarantee is underpinned by the provisioning from the EU budget, NGEU resources and assigned revenues from legacy instruments of EUR 10.46 billion[22], applying a guarantee provisioning rate of 40%.

Up to the end of 2025, the amount of budgetary commitments in relation to the InvestEU provisioning for the EU compartment was EU 9.9 billion, which includes EUR 2.7 billion from the EU general budget[23], EUR 5.9 billion from NGEU and EUR 1.2 billion from internal assigned revenues from predecessor instruments and the EFSI surpluses. EUR 7 billion was already paid into the CPF under the EU compartment, from which calls on the EU guarantee are being paid. Several Member States have made contributions to the Member State compartments of InvestEU.

As at December 2025, eight contribution agreements had been signed and the corresponding Member State compartments have been set up with Romania, Bulgaria, Greece, Czechia, Finland, Malta, Spain and Portugal.

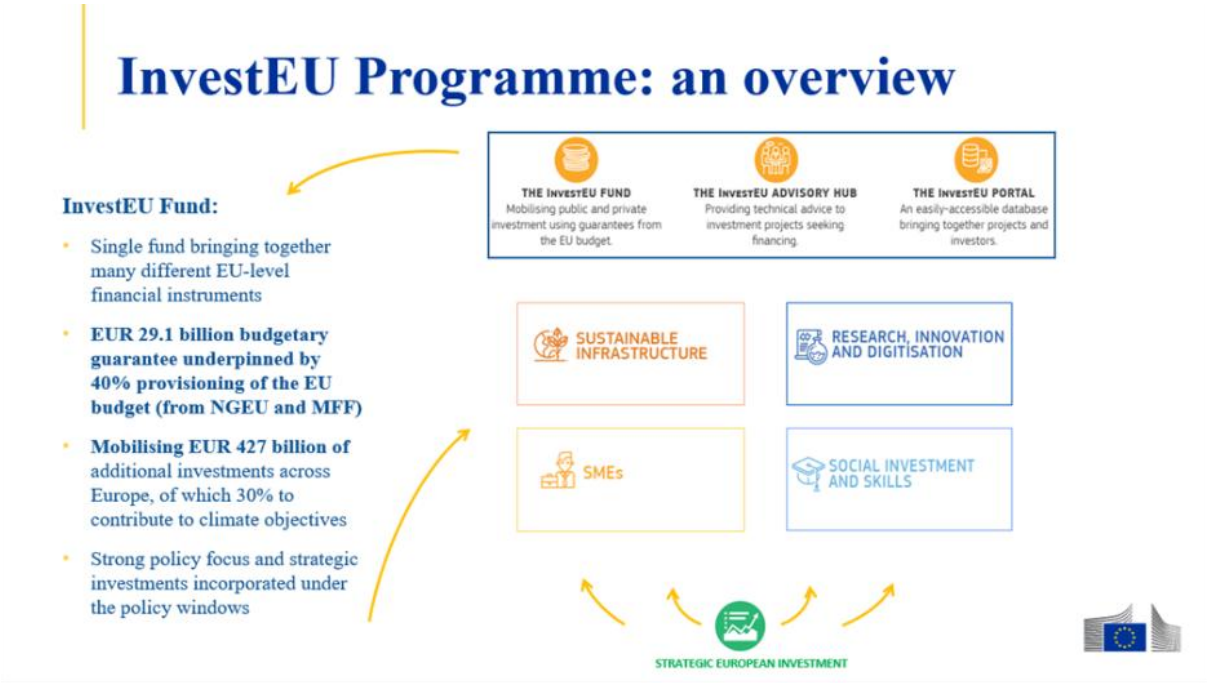
By the end of 2025, under the InvestEU Guarantee (Member State compartments of the CPF), EUR 912.7 million of provisioning had been transferred as external assigned revenue from seven Member States (Romania, Greece, Finland, Bulgaria, Malta, Spain and Portugal), according to the schedules laid down in the signed contribution agreements.

Furthermore, as set out in the adopted partnership agreements and signed contribution agreements, the following allocations were made by the end of 2025 as contributions to the InvestEU Fund: EUR 304.3 million from the European Regional Development Fund, EUR 25 million from the Cohesion Fund for the CPF Member States compartments of Finland, Czechia, Bulgaria and Malta.

[21] Following the entry into force of Regulation (EU) 2025/2005 of 16 December 2025.

[22] This figure does not take into account additional provisioning following adoption of Regulation (EU) 2025/2005 that increased the amount of the guarantee.

[23] EUR 2.1 billion from voted budget + MFF fines.

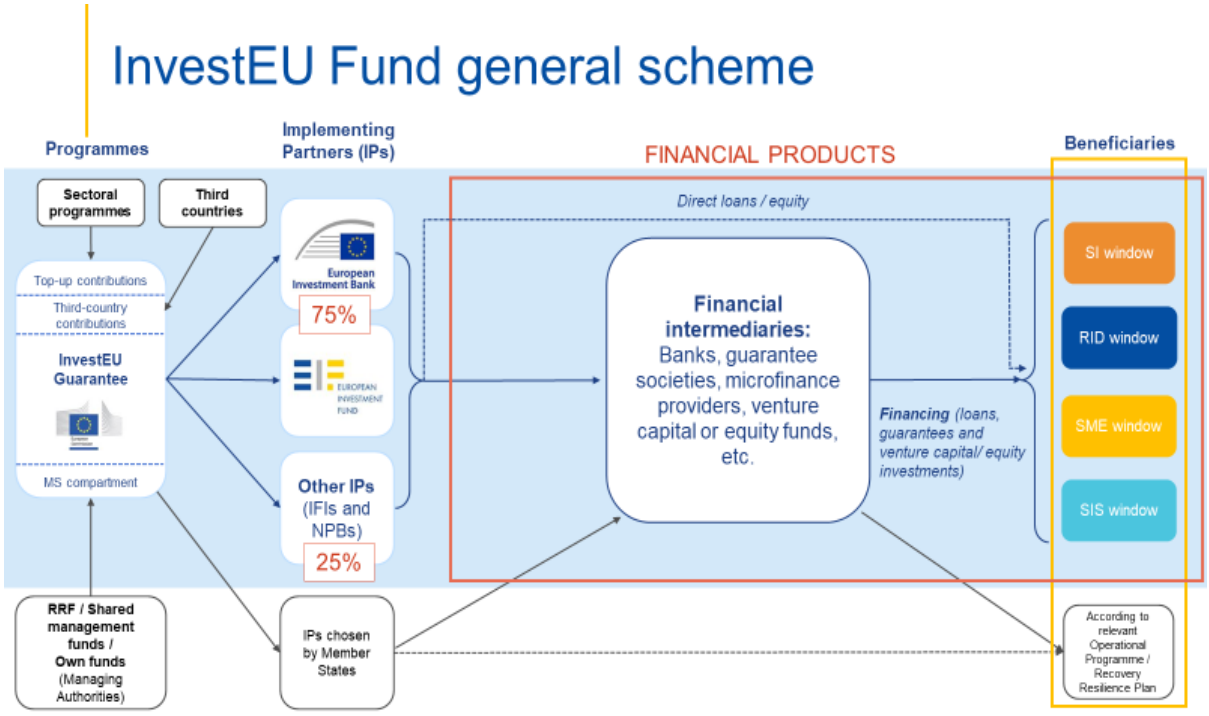


Implementation arrangements

InvestEU is implemented in indirect management through the European Investment Bank Group and other counterparts.

The guarantee agreement with the European Investment Bank (EIB) and the European Investment Fund (EIF) was signed in March 2022. In addition, a total 15 guarantee agreements with other implementing partners under the EU Compartment were also signed as of end-2025. In 2025, a new guarantee agreement was signed with NRW.BANK (Germany), as well as several amendments to existing guarantee agreements.

Implementation diagram



Duration

The investment period for the approval of operations will end on 31 December 2027, while contracts between the counterpart and the final recipient or financial intermediary can be signed until 31 December 2028.

Given the long-term nature of support under InvestEU, the EU guarantee coverage and operational monitoring will continue until all exposures and liabilities in relation to InvestEU operations have been fully discharged.

Added Value

The unprecedented domestic and global challenges that the EU is facing have a significant impact on the EU economy. To pave the way for sustained and inclusive growth – while raising the EU's global competitiveness, enhancing socio-economic convergence and the cohesion of the EU, and advancing the digital and green transitions – the EU needs increased investment, including in innovation, digitisation, the efficient use of resources and upgrading of skills and infrastructure. This, in turn, will require expanding the supply and diversifying the sources of external funding for EU businesses.

Intervention at EU level adds value by addressing market failures or sub-optimal investment situations (e.g., when, because of its public good nature, the full benefits of given investments cannot be captured by private agents, or the investment produces additional advantages beyond those flowing to the investing company or operator).

The EU intervention can also help to reduce the investment gap in targeted sectors (e.g., in investments with a significant cross-border dimension or investments in sectors, countries, or regions where risk exceeds levels that private financial actors are able or willing to accept). Finally, an EU intervention can ensure that a critical mass of resources can be leveraged to maximise the impact of investment on the ground.

By supporting projects that provide EU added value, InvestEU is complementary to Member State investments. In addition, InvestEU provides for economies of scale in the use of innovative financial products by catalysing private investment across the EU.

Application of Article 158.2 FR

The guarantee agreements with the EIB, the EIF and other counterparts state that they should apply their respective rules, policies and procedures, including anti-money laundering and counter terrorist financing frameworks, to address the requirements in respect of money laundering, terrorism financing, tax avoidance, tax fraud, tax evasion contained in Article 17 of the InvestEU Regulation and to reflect the prohibition to enter into new or renewed operations with entities incorporated or established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions or that are identified as high-risk third countries.

None of the InvestEU guaranteed operations signed so far were entered into with the financial intermediaries incorporated in non-cooperative jurisdictions listed under the relevant Union policy.

Support combined with other Union actions

In 2025, EUR 178.8 million blending operations combined InvestEU support with support provided under other EU programmes (including the Digital Europe Programme, the European Space Programme, the European Defence Fund, the European Maritime Fisheries and Aquaculture Fund, the Creative Europe Media Programme, the EU Health Programme and the EU Emissions Trading System (ETS) Innovation Fund, European Social Fund), allocated to the EIB, the EIF and the CEB for top-up operations and non-repayable support.

1.2.2 OPERATIONAL PERFORMANCE

InvestEU was initially designed with a target of EUR 372 billion of expected mobilised investment. However, with the increase of the EU guarantee by EUR 2.9 billion set out in Regulation EU 2025/2005 of 16 December 2025, the expected mobilised investment target is now EUR 427 billion.

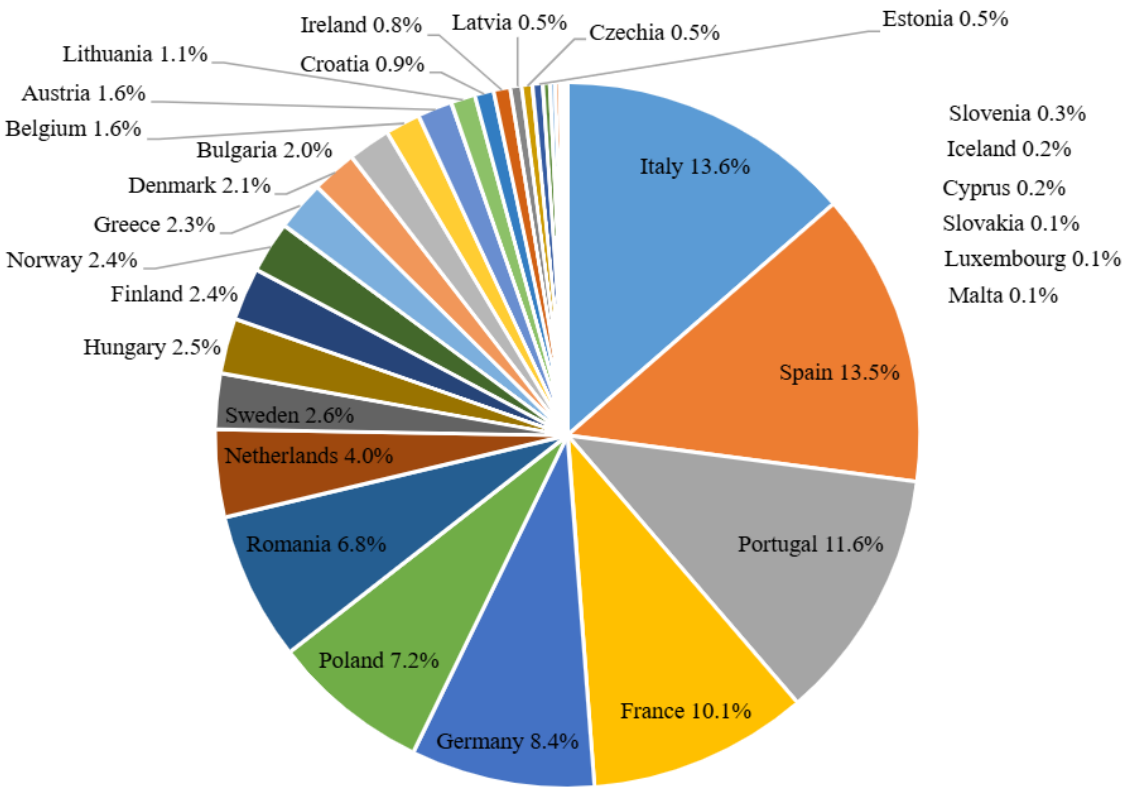
As at 31 December 2025, the estimated investment mobilised based on approved operations under the EU-Compartment was EUR 363.82 billion (of which EUR 266.86 billion based on signed operations and 142.3 based on disbursed operations) and the corresponding multiplier was 17.85. When including the Member State Compartments, the investment mobilised amounted to EUR 397.11 billion and the corresponding multiplier was 17.18 (based on approved operations).

Key Figures (as at 31/12/2025)

Total amount of operations signed by counterparts (in EUR)	57,868,446,075
Total amount of operations disbursed (in EUR)	13,588,557,508
Amount transferred to final recipients (in EUR)	42,975,334,733
Number of final recipients	255,684
Investments made by final recipients	142,353,674,183
Private sector resources mobilised (in EUR)	98,892,489,533
Leverage (ratio)	8.24
Multiplier effect (ratio)	17.18

Geographical diversification

Signed amounts – breakdown per country[24]



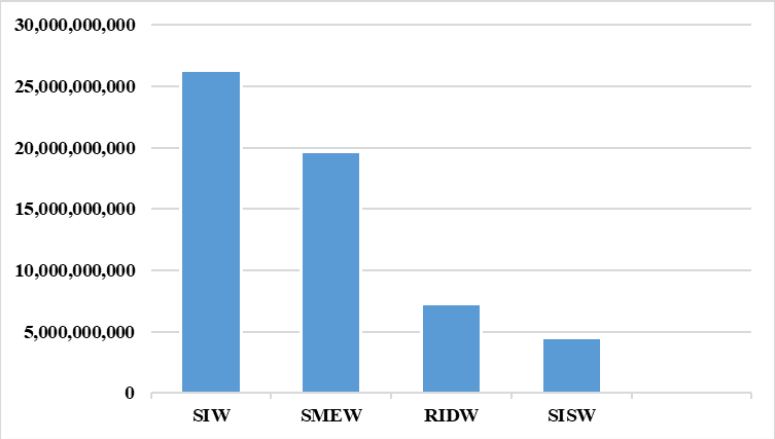
As at the end of 2025, InvestEU has benefitted all 27 Member States. Considering both EU and Member State Compartments, the top beneficiary countries, in terms of InvestEU financing were Italy, Spain, Portugal, France and Germany (as represented in the graph above). In terms of signatures relative to GDP, the top beneficiaries were Portugal, Romania, Bulgaria, Lithuania and Latvia.

Contribution to the achievement of the InvestEU objectives

As at 31 December 2025, InvestEU enabled its counterparts to sign EUR 57.87 billion of financing and investment operations. The largest signed amounts were in the Sustainable Infrastructure window (signed operations for EUR 26.26 billion), followed by the SME and mid-caps window (signed operations for EUR 19.70 billion), the Research, Innovation, & Digitalisation window (signed operations for EUR 7.31 billion) and the Social Investment Skills window (signed operations for EUR 4.59 billion).

[24] The total includes an amount of EUR 12bn not allocated to a specific country.

Breakdown of signed amounts by InvestEU Window



Member State Compartments

The InvestEU guarantee can be increased with additional contributions from Member States and third countries. Until end of 2025, the Commission has signed contribution agreements with eight Member States: Romania, Bulgaria, Greece, Czechia, and Finland, Malta, Spain and Portugal. The relevant amounts needed for the provisioning of the EU guarantee implemented under the InvestEU Member State compartment are held in eight Member States compartments in the CPF.

The guarantee amounts added through the Member State compartments were included in the Guarantee Agreements with the EIF, the EBRD, BDB (the Bulgarian Development Bank) and NRB (Národní rozvojová banka, Czech Republic).

1.2.3 FINANCIAL INFORMATION

Financial information at the level of budgetary guarantee

At the end of 2025, guarantee amount signed with counterparts under InvestEU after deducting guarantee calls and other expenses covered by the guarantee, accounted for EUR 28.5 billion[25]. At the level of signatures of guarantee agreements, InvestEU is approaching full allocation (At end 2025, Invest EU total guarantee capacity is EUR 33 billion including the maximum amount of EU guarantee set out in basic act of EUR 29 billion, blended financial instruments and contributions by MS and third countries).

Out of the EUR 28.5 billion total EU covered guarantee[26], counterparts have signed operations with final recipients or financial intermediaries for EUR 15.5 billion guarantee. Guarantee corresponding to signed and disbursed operations amounts to EUR 6 billion.

all figures in EUR

	EU contingent and financial liability	
	31/12/2025	**31/12/2024**
Total available EU guarantee amount signed with counterparts	28,468,875,728	27,041,969,322
EU guarantee amount in operations signed by counterparts	15,518,807,076	11,769,484,11
EU guarantee amount in operations signed by counterparts and disbursed	6,010,143,751	3,468,373,571

Under the InvestEU Agreement, the European Union is entitled to a remuneration for its guarantee. In 2025, 80 million in revenues were received. In cumulative terms, revenues reached EUR 148.8 million at end 2025.

all figures in EUR

	EU guarantee revenues	
	2025	**Cumulative until 31-12-2025**
EU guarantee revenues	80,366,545	148,878,647

[25] Including Member States compartments.

[26] Ceiling in the guarantee agreements signed and effective minus all net payments that reduce the guarantee cap minus guarantee released

In 2025, InvestEU received guarantee calls for a total amount of EUR 183 million. Out of this total, EUR 95.5 million corresponds to guarantee calls under the guarantee agreement with the EIB related to the InvestEU share in D1 and D2 portfolios (combined with EFSI); EUR 86.3 million to call under the guarantee agreement with the EIF (including Member State Compartments) and EUR 2 million in calls under the guarantee agreement with BPF.

all figures in EUR

	Guarantee calls and recoveries	
	2025	**Cumulative until 31-12-2025**
Guarantee calls	183,764,565	246,972,585
Recoveries	40,851,177	51,057,495
Net guarantee calls	142,913,388	195,915,090

Expenses for the EU InvestEU guarantee amounted in 2025 to EUR 260.7 million, related mainly to administrative fees and equity funding costs. In cumulative terms, expenses until December 2025 reached EUR 596 million.

all figures in EUR

	Expenses	
	2025	**Cumulative until 31-12-2025**
Fees to counterparts	181,262,331	426,982,777
Other expenses (recovery costs, funding costs, other)	79,498,914	169,284,702

Financial information at the level of Guarantee Agreements

all figures in EUR and as at 31/12/2025

	Guarantee Agreement EIB	Guarantee Agreement EIF	Guarantee Agreement CDP Equity
Overview			
Effective	Yes	Yes	Yes
Counterpart	EIB	EIF	CDP Equity
Description	The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. The Bank's investments under the InvestEU programme focus on projects operating in four priority areas: infrastructure, innovation, climate and environment, and small and medium-sized enterprises (SMEs).	The European Investment Fund (EIF) supports Europe's SMEs by improving their access to finance by designing, promoting and implementing equity and debt financing instruments targeting small business. Under the InvestEU programme the EIF supports European projects which foster entrepreneurship, growth, innovation, research and development, the green and digital transitions and employment	CDP Equity is the equity investment company of Cassa Depositi e Prestiti, with the mission of pursuing the equity strategy of the Group CDP Equity supports investments dedicated to the development of the Italian Venture Capital sector.
Maximum guarantee signed with counterpart	8,678,643,885	14,710,942,194	612,000,000
out of which from Invest EU fund:	8,045,460,198	11,568,772,356	612,000,000
out of which blending in form of financial instrument (excl. grants):	450,000,000	543,570,472	0
out of which allocated from MSs and third parties:	183,183,687	2,598,599,366	0
Operation type	Debt-Type operations and Equity Type Operations	Guarantee and Equity Operations	Intermediated Equity
Investment window	49%SIW, 59% RIDW, 2% SISW	46% SMEW, 11% SISW, 13% RIDW, 30% SIW	56% RIDW, 24% SIW, 20% SMEW
Cumulative operations signed by counterpart	24,259,258,540	25,090,800,560	500,000,000
Cumulative operations disbursed by counterpart	7,831,923,000	2,710,624,000	222,123,146
EU contingent and financial liability			
Available guarantee signed with counterpart	8,601,221,604	14,188,758,639	599,363,797
EU risk for operations signed by counterpart	3,725,207,013	10,020,005,273	247,840,149
EU risk for operations signed by counterpart and disbursed	2,040,842,297	3,035,157,397	110,984,127
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	130,843,667	114,099,452	0
Cumulative recoveries	53,421,386	3,436,239	0
Cumulative net guarantee calls	77,422,281	110,663,213	0
Cumulative expenses			
Fees to counterpart	95,810,207	312,524,215	4,498,885
Other expenses (recovery costs, funding costs, other)	30,654,447	125,364,650	8,137,317

all figures in EUR and as at 31/12/2025

	Guarantee Agreement EBRD	Guarantee Agreement CEB	Guarantee Agreement NIB
Overview			
Effective	Yes	Yes	Yes
Counterpart	EBRD	CEB	NIB
Description	The European Bank for Reconstruction and Development (EBRD) supports investments in sustainable infrastructure and greener industry and services, research, innovation and digitisation as well as social housing. The geographical focus of the projects is Bulgaria, Croatia, Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic and Slovenia.	The Council of Europe Development Bank (CEB) supports investments under the "social investment and skills" and "sustainable infrastructure" windows. This includes social, affordable and student housing; education, employment, and skills; health care, long-term care and social care; as well as clean and smart urban mobility, water and wastewater services, and flood protection. The portfolio will also support cross-cutting objectives such as gender equality and the inclusion of vulnerable groups, including persons with disabilities.	The Nordic Investment Bank (NIB) supports investments in clean energy, the modernisation and decarbonisation of industry, critical raw materials supply, sustainable transport, environmental protection, bio-economy, digital connectivity and sustainable data infrastructure. At this stage, the InvestEU Guarantee can be used to support projects in Denmark, Estonia, Finland, Latvia, Lithuania, Poland and Sweden.
Maximum guarantee signed with counterpart	785,938,762	318,250,000	436,122,458
out of which from Invest EU fund:	610,054,612	318,250,000	314,000,000
out of which blending in form of financial instrument (excl. grants):	25,000,000	0	0
out of which allocated from MSs and third parties:	150,884,150	0	122,122,458
Operation type	Debt Financing	Debt Financing	Debt Financing
Investment window	91% SIW, 0.3% RIDW, 4% SISW, 3.7% SMEW	SISW	90% SIW, 10% RIDW
Cumulative operations signed by counterpart	979,536,933	417,419,546	590,714,212
Cumulative operations disbursed by counterpart	302,589,282	248,930,000	340,130,883
EU contingent and financial liability			
Available guarantee signed with counterpart	783,931,492	318,250,000	436,122,458
EU risk for operations signed by counterpart	218,609,259	132,843,771	140,294,625
EU risk for operations signed by counterpart and disbursed	145,396,016	132,843,771	127,051,100
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	3,083,406	175,000	0
Other expenses (recovery costs, funding costs, other)	0	2,082,342	0

all figures in EUR and as at 31/12/2025

	Guarantee Agreement CDC	Guarantee Agreement BGK	Guarantee Agreement BPIFrance
Overview			
Effective	Yes	Yes	Yes
Counterpart	CDC	BGK	BPIFrance
Description	Under the InvestEU programme Caisse des Dépôts will unlock up to €700 million in the areas of rehabilitation and restoration of industrial wasteland, the development of data centres as well as investment in industrial infrastructure to the benefit of innovative companies in France	Under the InvestEU programme BGK will aim to unlock up to an expected €484 million for sustainable infrastructure and innovation investments across Poland. The guarantee will back long-term finance for a wide range of private and public sector entities, in several priority areas of InvestEU, including renewable energies, low-carbon transport, ICT, digitalisation, healthcare and innovation.	Under the InvestEU Programme Bpifrance expects to unlock €1 billion of investments to support innovative SMEs and small mid-cap companies in France.
Maximum guarantee signed with counterpart	372,500,000	277,784,000	500,000,000
out of which from InvestEU fund:	372,500,000	277,784,000	500,000,000
out of which blending in form of financial instrument (excl. grants):	0	0	0
out of which allocated from MSs and third parties:	0	0	0
Operation type	Intermediated Equity, Debt Financing and Intermediated Uncapped guarantees	Debt financing	Debt financing
Investment window	50% SIW, 50% SISW	79% SIW, 14% SISW, 7% RIDW	80% SMEW, 20% RIDW
Cumulative operations signed by counterpart	128,326,207	0	127,800,000
Cumulative operations disbursed by counterpart	60,241,821	0	98,300,000
EU contingent and financial liability			
Available guarantee signed with counterpart	369,365,542	277,784,000	500,000,000
EU risk for operations signed by counterpart	62,595,287	0	26,575,000
EU risk for operations signed by counterpart and disbursed	29,834,579	0	3,625,000
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	2,763,930	0	0
Other expenses (recovery costs, funding costs, other)	826,195	0	0

all figures in EUR and as at 31/12/2025

	Guarantee Agreement CDP	Guarantee Agreement Garantiqa	Guarantee Agreement ICO
Overview			
Effective	Yes	Yes	Yes
Counterpart	CDP	Garantiqa	ICO
Description	Under InvestEU Program, CDP is committed to mobilize an expected amount of more than 700 EUR investments and long-term financing in business research and development, social and sustainable infrastructure and affordable social housing projects.	Garantiqa will use the European Union guarantee to mobilise investments in the SME Window of the InvestEU programme. Thanks to the agreement between the two parties, financing projects in areas such as agriculture and food industry, clean energy, digital, supply chain development, Research & Development, production efficiency, and support to Hungarian transition regions and rural development, becomes more accessible.	ICO will use the InvestEU guarantee agreement to mobilise an expected amount of up to €150 million in investments in the green transition and critical infrastructure. More specifically, it will support investment in crucial energy, sustainable transport, environment and water, digital and social infrastructure projects.
Maximum guarantee signed with counterpart	655,250,000	273,900,000	468,750,000
out of which from InvestEU fund:	655,250,000	273,900,000	468,750,000
out of which blending in form of financial instrument (excl. grants):	0	0	0
out of which allocated from MSs and third parties:	0	0	0
Operation type	Debt Financing and Intermediated Equity	Debt Financing	Intermediated Equity
Investment window	45% SIW, 39% SISW, 16% RIDW	SMEW	67%SISW; 33%SIW
Cumulative operations signed by counterpart	723,612,306	1,048,000,000	149,000,000
Cumulative operations disbursed by counterpart	290,163,252	38,132,689	78,352,140
EU contingent and financial liability			
Available guarantee signed with counterpart	646,788,351	273,900,000	465,343,529
EU risk for operations signed by counterpart	341,106,153	248,900,000	74,500,000
EU risk for operations signed by counterpart and disbursed	140,981,626	27,254,628	43,643,963
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	1,940,626	0	2,173,710
Other expenses (recovery costs, funding costs, other)	21,024	0	1,232,761

all figures in EUR and as at 31/12/2025

	Guarantee Agreement InvestNL	Guarantee Agreement PMV	Guarantee Agreement BDB
Overview			
Effective	Yes	Yes	Yes
Counterpart	InvestNL	PMV	BDB
Description	Invest-NL, the Dutch National Promotional Institute, serves as an essential link between the public and private sectors and aims to promote a sustainable and innovative business environment in the Netherlands. By actively participating in European initiatives such as the InvestEU guarantee scheme, Invest-NL contributes to the development of both a sustainable and innovative economy.	PMV offers tailor-made financial solutions to all entrepreneurs with a good business plan and a strong management team. It does so with capital, loans and guarantees. It also realises, with and for the government, and other partners, projects that are important for prosperity and welfare in Flanders. PMV has a portfolio with 1.7 billion euro of assets under management.	The Bulgarian Development Bank (BDB) is a credit institution 100%-owned by the Bulgarian state. It was established in 1999 with main focus to support small and medium-sized enterprises. The bank implements special mandates of the Bulgarian government like the anti-crisis measures to overcome the negative consequences of COVID-19. Essential part of the long-term goals of the bank is the support of sustainable investments.
Maximum guarantee signed with counterpart	370,364,800	70,000,000	165,000,000
out of which from InvestEU fund:	370,364,800	70,000,000	40,000,000
out of which blending in form of financial instrument (excl. grants):	0	0	0
out of which allocated from MSs and third parties:	0	0	125,000,000
Operation type	Direct Equity and Debt Financing	Intermediated Equity	Intermediated capped and uncapped guarantees
Investment window	61% RIDW, 3% SIW, 6% SMEW	SIW	100% SMEW
Cumulative operations signed by counterpart	138,666,659	80,000,000	79,800,000
Cumulative operations disbursed by counterpart	111,459,347	400,000	0
EU contingent and financial liability			
Available guarantee signed with counterpart	366,075,763	70,000,000	165,000,000
EU risk for operations signed by counterpart	69,333,290	56,000,000	38,477,682
EU risk for operations signed by counterpart and disbursed	55,729,673	280,000	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	3,327,998	684,800	0
Other expenses (recovery costs, funding costs, other)	961,039	4,927	0

all figures in EUR and as at 31/12/2025

	Guarantee Agreement NRB	Guarantee Agreement BPF	Guarantee Agreement NRW.BANK
Overview			
Effective	Yes	Yes	Yes
Counterpart	NRB	BPF	NRW.BANK
Description	Národní rozvojová banka / National Development Bank (NRB) is a specialised state-owned banking institution aimed at contributing to sustainable economic development of the Czech Republic. The NRB is the main provider of financial instruments funded from public and European resources as well as from own resources and in cooperation with private capital. It has become an important partner for the central state administration authorities, state funds, regions, municipalities and the private sector, particularly small and medium-sized enterprises.	Banco Português de Fomento's (BPF) mission is to support Portugal's economic and social development by creating and providing innovative, competitive, and appropriate solutions to the needs and challenges of the business ecosystem, boosting entrepreneurial capacity, investment, and job creation, and promoting the country's sustainability and economic, social, and territorial cohesion.	NRW.BANK stands for the promotion of progress and development in the German Federal State (Land) of North Rhine-Westphalia (NRW) Through the new NRW.Venture EU Tech&Scale Fund, NRW.BANK will be able to invest up to 30 million euros per financing transaction in highly innovative scale-ups – twice as much as before. In total, up to 200 million euros in additional funding will be made available for investments in young deep tech and growth companies based in North Rhine-Westphalia.
Maximum guarantee signed with counterpart	80,000,000	210,000,000	119,000,000
out of which from InvestEU fund:	0	210,000,000	119,000,000
out of which blending in form of financial instrument (excl. grants):	0	0	0
out of which allocated from MSs and third parties:	80,000,000	0	0
Operation type	Intermediated capped guarantees	Intermediated capped guarantee	Direct Equity
Investment window	0	2% SIW, 98% SMEW	100% RIDW
Cumulative operations signed by counterpart	0	3,555,511,111	0
Cumulative operations disbursed by counterpart	0	1,255,187,948	0
EU contingent and financial liability			
Available guarantee signed with counterpart	80,000,000	207,970,554	119,000,000
EU risk for operations signed by counterpart	0	116,519,574	0
EU risk for operations signed by counterpart and disbursed	0	116,519,574	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	2,029,466	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	2,029,466	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other)	0	0	0

1.3 European Fund for Sustainable Development

1.3.1 Description

Identification/Reference to the basic act	
Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund	
Maximum amount of budgetary guarantee (in EUR)	**of which available guarantee signed at 31/12/2025**
1,548,968,935	583,341,790
of which ceiling authorised in the legal basis (in EUR)	**Counterparts**
1,500,000,000	Cassa Depositi e Prestiti (CDP), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW), Nederlandse, Financierings-Maatschappij voor Ontwikkelingslanden (FMO), PROPARCO.
of which from external contributions (in EUR)	
48,968,935	
Budget Lines	
14.020170	

	Cumulative to 2025	**2026**	**2027**	**Total**
Budgetary commitment appropriations (in EUR)	**807,314,662**	**1,823,470**	**367,535**	**809,505,667**
of which from voted budget	750,000,000	0	0	750,000,00
of which from internal assigned revenues	8,345,727	1,823,470	367,535	10,536,732
of which from external assigned revenues	48,968,935	0	0	48,968,935
Budgetary payment appropriations (in EUR)	**807,314,662**	**1,823,470**	**367,535**	**809,505,667**
of which from voted budget	750,000,000	0	0	750,000,00
of which from internal assigned revenues	8,345,727	1,823,470	367,535	10,536,732
of which from external assigned revenues	48,968,935	0	0	48,968,935

General description

The European Commission set up in 2017 the European Fund for Sustainable Development (EFSD) Guarantee to support public and private investments and increase access to financing in Africa and the Neighbourhood. The EFSD Guarantee was established by the EFSD Regulation[27] in 2017. Following the 2016 European Commission's Communication on the External Investment Plan.

The EFSD Guarantee aims at bridging the gap between financing already available and financing still needed to meet key UN Sustainable Goals. The EFSD Budgetary Guarantee is thus a risk mitigation mechanism that leverages private and public sector financing and crowds in private sector funds in partner countries, while avoiding market distortions. It was introduced as a new way of financing development programmes, as it shares the risks involved in investing with development banks and private investors. These join forces and lend or provide equity to local banks and/or local entrepreneurs making development finance more affordable. Macroeconomically, the Guarantee contributes to boosting partners' economies and job creation in the key five development areas listed below to the benefit of local growth and partner countries' stability and wealth.

Individual guarantee agreements have to focus on five key development areas:

- small business financing
- sustainable energy and connectivity
- local currency financing
- digitalisation
- sustainable cities.

Implementation cycle

Immediately after the adoption of the EFSD Regulation, the Commission, alongside Member States, established the EFSD Governance structure. Discussions between Member States, the European External Action Service and the Commission led to the formation of 'investment windows' reflecting the sectoral priorities for the EFSD Guarantee. The Commission invited partner financial institutions to propose investment programmes to be covered by the EFSD Guarantee, which were then negotiated and formalised as guarantee agreements.

The response from financial institutions was overwhelmingly positive, with requests exceeding the EFSD Guarantee's capacity by over EUR 2 billion. The Commission received

[27] Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund.

46 proposals from 12 partner institutions, valued at more than EUR 3.5 billion. The EFSD Regulation set an ambitious target to finalise guarantee agreement contracts by 31 December 2020. Significant exchanges involving the Commission, partner financial institutions, and the Guarantee Technical Assessment Group—a temporary body established under the EFSD Regulation specialising in financial risk assessment—were required due to the complex financial structures involved.

By 31 December 2020, the EFSD Guarantee's capacity was fully utilised with 18 agreements, valued altogether at EUR 1.5 billion, signed with ten partner institutions. These institutions had four years post-2020 to deploy the EFSD Guarantee in support of EU policy priorities.

The EFSD experience has provided key insights for the EFSD+ Guarantee, revealing that sectors like SME, equity, healthcare, and local currency have achieved positive deployment. In contrast, infrastructure investments required longer periods for execution. Successful operations in North and East Africa, such as FMO Nasira's efforts, have supported youth, women, and migrant entrepreneurs. Additionally, the EFSD's contribution to COVAX I and II facilitated vaccine distribution, illustrating the programme's impact.

Implementation arrangements

EFSD guarantee agreements are implemented by eligible counterparts in indirect management. The approval process for individual guarantee agreements is multi-staged, culminating in a Commission Decision on the Proposed Investment Programmes (PIPs) to be supported by the EFSD Guarantee. This decision is based on the information provided by the eligible counterparts in their application forms, the results of negotiations between the Commission and the counterparts, and the recommendations of the EFSD Operational Board[28].

Following the adoption of the Commission Decisions, the Commission concludes a guarantee agreement with each eligible counterpart. Each EFSD guarantee agreement is tailored to reflect the specificities of both the EFSD Guarantee and the particular PIP. The financial structures involved require comprehensive negotiations between the Commission, partner Financial Institutions, and the Guarantee Technical Assessment Group, a body specialised in financial risk assessment established for the EFSD Guarantee.

All eligible counterparts to a guarantee agreement must be entities that have successfully undergone a pillar assessment. These entities are currently all public institutions or private organisations with a public service mission, including national development finance institutions of Member States and multilateral development finance institutions.

The investment period for all EFSD guarantees closed on 31 December 2024. This closure means that no new inclusion notices (operations to be financed under each guarantee agreement) can be generated, thus the portfolio is constituted. Some development finance institutions (DFIs) encountered difficulties in identifying eligible investments under these

[28] Composed by Member States, DFIs and the Commission.

guarantees, leading to unused guarantees. To free up capacity in the provisioning fund, these unused guarantees were decommitted.

Of the 18 guarantees, 8 are inactive due to the absence of inclusions:

- **AECID – RECIDE**: This guarantee was released and rendered ineffective due to the lack of inclusions.
- **AFD - European Guarantee for Renewable Energy**: AFD claimed the four-year investment period was too short to develop a mature project portfolio and proposed extending it, which is not permissible under the EFSD Regulation.
- **AFD - AgreenFi**: There were no operations in the reporting period as AFD shifted its global strategy and underwent restructuring, now only engaging in transactions with public entities, whereas the guarantee aimed to involve the private sector.
- **CDP - Archipelagos**: This guarantee was released and rendered ineffective due to the lack of inclusions.
- **CDP - European Guarantee for Renewable Energy**: This guarantee was released and is now ineffective due to the lack of inclusions.
- **EBRD – Framework to Scale-up Renewable Energy Investments**: EBRD cited challenges such as changes in Ukraine's Feed-in-Tariff regime and the deteriorating security situation, as well as worsening economic conditions in the Neighbourhood South due to COVID and the economic fallout from the war in Ukraine.
- **KfW - Africa Energy Guarantee Facility**: Although there was a signed amount previously, the guarantee was terminated in 2024, leading to its release.
- **COFIDES- Renewable Energy Support Programme**: COFIDES reported negative political and investment climate changes in partner countries, exacerbated by the COVID-19 pandemic and the Ukrainian crisis, which slowed implementation and made private sector engagement challenging.

Duration

Pursuant to Article 8 of the EFSD Regulation, the investment period, during which guarantee agreements for supporting investment programmes can be concluded with the eligible counterparts, lasted until 31 December 2020.

Eligible counterparts in the guarantee agreements had up to four years as from the effective date of the contract to conclude investment operations, and therefore generate inclusion notices, under the guarantee. As of 31 December 2024, the investment period ended for all EFSD guarantee agreements. The total duration of the guarantees signed with eligible counterparts under each guarantee agreement should not generally exceed fifteen years.

Added value

The EFSD Guarantee delivers strong added value by using scarce public resources in an innovative and efficient way to mobilise public and private investment in partner countries.

By mitigating the risks associated with sustainable development investments, often through guarantees with long maturities exceeding ten years, it helps address market failures and improve investment conditions in contexts where private finance would otherwise remain limited. This enables the crowding-in of private sector funding, supports the development of innovative financial products, and maximises additionality.

In particular, the EFSD helps investors and businesses, especially micro, small and medium-sized enterprises (MSMEs), to play a greater role in fostering sustainable development, job creation, entrepreneurship, and broader economic opportunities, while also promoting equitable access to and sustainable use of natural resources.

Application of Article 158.2 FR

When implementing the EFSD guarantee agreements, financial institutions are contractually obliged to comply with applicable Union law and agreed international and Union standards and, therefore, not support actions that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion. Financial institutions may not enter into agreements with entities established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions or that are identified as high-risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information.

In addition, when concluding agreements with financial intermediaries, entities implementing EFSD Guarantees must transpose these requirements into the relevant agreements. The financial intermediaries are also obliged to report on the observance of these requirements. In the reporting period, financial institutions did not report any issues.

Support combined with other Union actions

In general, EFSD Technical Assistance funds the preparation of pipeline of bankable, high-quality projects that will attract private financing and building of capacities of local financial intermediaries and beneficiaries to structure and roll out investments under EFSD. In some cases, Technical Assistance also contributes to the improvement of the local investment climate – enabling governments to enact reforms to make their countries more attractive places to invest in.

As of 31 December 2025, the total amount of Technical Assistance contracts accompanying EFSD guarantee agreements was approximately EUR 89 million.

1.3.2 OPERATIONAL PERFORMANCE

As of 31 December 2025, the EFSD has included over 220 operations under its guarantee cover of which over 160 are still covered as of today.

Notable programmes include:

- EIB's AHDP COVAX (EUR 400 million, of which EUR 270 million have been repaid and EUR 130 million have been called) and Access to Finance (EUR 100 million);
- KfW's TCX Capacity (EUR 145 million);
- FMO's Nasira (EUR 100 million) and Ventures (EUR 40 million);
- EBRD's Resilience (EUR 100 million); and
- CDP's InclusiFI (EUR 44 million).

EIB's Access to Finance covers operations in more than 7 countries in Sub-Saharan Africa, Neighbourhood South and Neighbourhood East, amounting to EUR 64 million consisting mainly of loans to MSMEs managed or owned by entrepreneurs who have less access to finance given their higher risk profile.

FMO's NASIRA covers operations in 11 countries in Sub-Saharan Africa, Neighbourhood South and Neighbourhood East, amounting to EUR 93.5 million consisting of lending to MSMEs in developing countries. FMO's Ventures covers operations in more than 14 countries covering Sub-Saharan Africa and Neighbourhood South, amounting to EUR 30 million consisting of investments in start-ups, scale-ups and venture capital.

CDP's InclusiFI covers operations in Senegal, Ivory Coast and Georgia, amounting to EUR 21 million consisting of loans to MSMEs.

The Commission established a Results Measurement Framework for the EFSD used in the guarantee agreements. It covers three levels: (1) the EFSD as a whole, including both the EFSD Guarantee and the blending operations; (2) the Investment Platforms and Investment Windows; (3) the investment programmes under the EFSD Guarantee and the projects under the blending operations. The Commission is responsible for monitoring and reporting under the first two levels, based on a set of pre-defined indicators. At programme and project level, the reporting on expected and actual operational results is the responsibility of the lead financial institution. The list of indicators, the frequency and format of reporting are part of the guarantee agreements signed with the financial institutions.

The achievements of some EFSD GAs by the end of 2025 include the following:

FMO Nasira:
- More than 27,000 jobs supported indirectly, including about 12 thousand jobs for women and 5,000 for young people.
- Thousand loans provided to women entrepreneurs, building a total portfolio of EUR 67 million.
- More than 3,500 young entrepreneurs received loans totalling EUR 49 million.

FMO Ventures:
- About 4 million smallholder farmers supported.
- More than EUR 174 million in loans granted, reaching 4.6 million beneficiaries.
- About 31 tonnes of CO2 emissions avoided.

CDP InclusiFI:
- 66 thousand loans granted to women entrepreneurs, totalling EUR 181 million.

EIB European Health Platform:
- 234 million vaccines doses distributed under the European Health Platform

IFC SLGP:
- 2,696 direct FTE jobs supported.
- 7,916 indirect FTE jobs supported.

Proparco AgreenFI:
- 26,573 beneficiaries.
- 353 direct FTE jobs supported including 211 women.
- 4334 indirect FTE jobs supported.
- 26,573 MSMEs provided with access to loans.

TCX Pricing
- Supporting currency swaps for 14 currencies with a cumulative notional amount of EUR 120 million in illiquid markets.

EBRD Municipal, infrastructure and industrial resilience Programme
- 32 million beneficiaries
- 232,050 direct employment supported
- 18.7 ktCO2e/year in GHG emissions avoided or reduced
- 17.4 GWh/year in energy saved
- 10,863,600 cubic meters of water saved
- 46,000,000 square meters of building area retrofitted or sustainably built

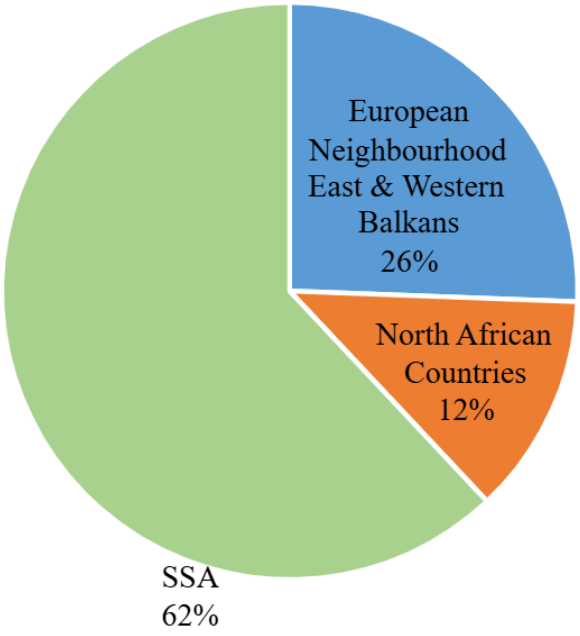
The following table summarizes the key operational figures presented above:

Key Figures (as at 31/12/2025)

Total amount of operations signed by counterparts (in EUR)	2,351,095,230
Total amount of operations disbursed (in EUR)	1,817,199,596
Amount transferred to final recipients (in EUR)	2,498,550,483
Number of final recipients	4,666,017
Investments made by final recipients	2,321,650,314
Private sector resources mobilised (in EUR)	3,805,501,338
Leverage (ratio)	1.47
Multiplier effect (ratio)	1.47

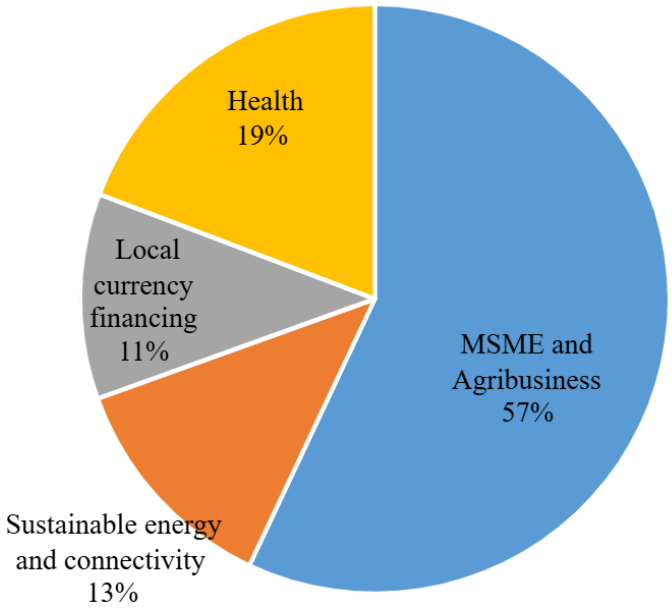
Geographical diversification

As of 31 December 2025, a total amount of operations accounting for EUR 2.3 billion were signed counterparts out of which, EUR 1.4 billion (62%) were to Sub-Saharan, EUR 621 million (26%) to the European Neighbourhood East & Western Balkans and EUR 291 million (12%) to North African Countries, Jordan and Palestine.



Sectoral diversification

As of 31 December 2025, out of the total operations signed EUR 1.3 billion went to MSMEs and Agribusiness (57%), EUR 452 million (19%) went to Health in relation to COVAX, EUR 315.6 million (13%) went to Sustainable energy and connectivity, and EUR 265 million (11%) went to local currency financing.



1.3.3 FINANCIAL INFORMATION

As of 31 December 2025, ten EFSD guarantee agreements were still effective with a total maximum guarantee capacity accounting for EUR 844.14 million. The operations signed by the counterparts under those agreements totalled EUR 2.41 billion, with the EU risk for those operations capped at EUR 573 million. The EU risk related to the amounts disbursed by the counterparts amounted to EUR 451.2 million. The EFSD inclusion period ended in 2024. The EU risk at the level of operations signed and disbursed is expected to remain stable in the coming years.

all figures in EUR

	EU contingent and financial liability	
	31-12-2025	**31-12-2024**
Available guarantee signed with counterparts	583,341,790	760,232,178
EU risk for operations signed by counterparts	573,038,041	666,984,267
EU risk for operations signed by counterparts and disbursed	451,192,354	520,526,501

all figures in EUR

	EU guarantee revenues	
	2025	**Cumulative until 31-12-2025**
EU guarantee revenues	2,588,635	8,647,232

all figures in EUR

	Guarantee calls and recoveries	
	2025	**Cumulative until 31-12-2025**
Guarantee calls	137,308,779	146,068,768
Recoveries	138,342	141,719
Net guarantee calls	137,170,437	145,927,049

all figures in EUR

	Expenses	
	2025	**Cumulative until 31-12-2025**
Fees to counterparts	0	0
Other expenses (recovery costs, funding costs, other)	0	0

Financial information at the level of guarantee agreement

all figures in EUR and as at 31/12/2025

	NASIRA Risk-Sharing Facility - Financing for underserved entrepreneurs	Ventures Programme - Empowering entrepreneurs for sustainable development	InclusiFI
Overview			
Effective	Yes	Yes	Yes
Counterpart	FMO	FMO	CPD
Description	NASIRA addresses the high risks, both perceived and real, involved in lending to entrepreneurs who currently have limited or no access to finance in countries neighbouring the EU and in Sub-Saharan Africa. It encourages local banks to lend to borrowers who would usually be considered too risky, such as migrants, women, young people or COVID-19 affected small and medium-sized enterprises (SMEs). With this guarantee, we are addressing the root causes of migration, including irregular migration.	VENTURES promotes sustainable development by: - enabling the development and growth of young companies; - contributing to healthy small local businesses. It is doing so by bringing scarce private investment to the venture sector, which are start-ups and innovative firms with the potential for rapid growth but associated with a high risk. It will boost investment especially for innovative start-ups that use digital solutions to improve or enable access to digital products and services for communities having no or limited access to either.	InclusiFI aims at financial inclusion driven by diasporas, leveraging private financing to foster inclusive and sustainable entrepreneurship and MSMEs growth. This guarantee increases the financing available for local entrepreneurs in Sub-Saharan and Northern Africa, who currently struggle to access the loans or capital they need to start or expand their businesses. It will particularly support small businesses led by women, young people and migrants. As a result, the Programme will help to reduce inequality and create jobs.
Maximum guarantee signed with counterpart	100,000,000	40,000,000	60,000,000
Operation type	Portfolio guarantees	Layered Fund	Combination: portfolio and single project guarantees
Risk-sharing structure	Second loss	First loss	First and second loss
Cumulative operations signed by counterpart	449,298,715	89,088,751	44,000,000
Cumulative operations disbursed by counterpart	274,864,488	63,325,697	44,000,000
EU contingent and financial liability			
Available guarantee signed with counterpart	93,460,550	40,000,000	20,222,223
EU risk for operations signed by counterpart	93,460,550	29,696,251	20,222,223
EU risk for operations signed by counterpart and disbursed	83,760,365	21,108,566	20,222,223
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	5,150,186	0	0
Cumulative recoveries	14,735	0	0
Cumulative net guarantee calls	5,135,451	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	SME Access to Finance Initiative	European Health Platform	Municipal, infrastructure and industrial resilience programme
Overview			
Effective	Yes	Yes	Yes
Counterpart	EIB	EIB	EBRD
Description	SME Access to Finance Initiative aims to increase financial inclusion in Sub-Saharan Africa and the EU Neighbourhood. The Initiative targets small and medium-sized enterprises (SMEs) as well as groups with limited or no access to finance, particularly: - start-ups; - women-led businesses; - businesses led by young people. The overriding goal is to address some of the root causes of migration. The Initiative will facilitate access to finance for local SMEs, especially for those who currently have no or limited access to finance. It will do so through partial portfolio guarantees. These will allow local banks to take on more risk and improve lending conditions by offering lower interest rates and/or reducing collateral requirements.	European Health Platform – this guarantee with the European Investment Bank (EIB) will reduce and remove financing constraints for accessing vaccines and health diagnostic services. It has two parts, which focus on improving: - access to future COVID-19 vaccines in Africa and the EU Neighbourhood, - access and quality of health-related diagnostic services for low-income populations in Sub-Saharan Africa, particularly in rural areas.	EU Municipal, Infrastructure and Industrial Resilience Programme will bolster industrial, building, municipal and sustainable infrastructure investments to address the negative impact of the COVID-19 pandemic on businesses, assets and employment in the EU Southern and Eastern Neighbourhood. It will also support the transitioning to green, low-carbon and climate-resilient economies by supporting investments in: - green city infrastructure - green logistic chains - energy efficiency - green technology transfers in industrial processes, commercial operations and buildings.
Maximum guarantee signed with counterpart	100,000,000	182,000,000	100,000,000
Operation type	Portfolio guarantees	Single project guarantees + full cover over bullet loan	Single project guarantees
Risk-sharing structure	First loss	Other - COVAX part of this PIP features a full guarantee; non-COVAX part-first loss	First loss
Cumulative operations signed by counterpart	583,750,000	452,000,000	204,947,124
Cumulative operations disbursed by counterpart	88,227,116	400,000,000	176,900,169
EU contingent and financial liability			
Available guarantee signed with counterpart	64,236,801	52,000,000	70,075,961
EU risk for operations signed by counterpart	64,236,801	52,000,000	70,075,961
EU risk for operations signed by counterpart and disbursed	14,235,039	0	68,519,906
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	7,972,523	130,000,000	0
Cumulative recoveries	126,984	0	0
Cumulative net guarantee calls	7,845,539	130,000,000	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other)	0	0	0

all figures in EUR and as at 31/12/2025

	AgreenFI - Agricultural and Rural Finance Guarantee Programme with PROPARCO - COVID-19 response	EU Market Creation Facility – TCX - Capacity Component	EU Market Creation Facility – TCX - Pricing Component
Overview			
Effective	Yes	Yes	Yes
Counterpart	PROPARCO	KfW	KfW
Description	PROPARCO's Covid 19 Response Component to Agricultural and Rural Finance Guarantee Programme (AgreenFI) aims at catalysing investment and support for local agricultural businesses in riskier environments and aiming at improving liquidity and access to finance to smallholder farms and agri/rural micro, small and medium enterprises (MSMEs), especially those impacted by the COVID-19 pandemic.	This guarantee addresses this excess demand for local currency financing. In many parts of Sub-Saharan Africa and the EU Neighbourhood the demand for borrowing money in local currency is higher than the market supply. In development finance, loans are typically denominated in USD, Euro or Japanese Yen. Protecting against foreign exchange rate risk, so-called hedging solutions, exist but they are often not readily available or look expensive. The guarantee aims to improve access to hedging solutions and thereby allow for the development of lending products that lift the exchange rate risk from the shoulders of the borrower.	TCX - Pricing Component - aims at increasing access to local currency indexed borrowing to institutions based in Sub-Saharan Africa and the European Neighbourhood and to address short- and medium-term funding requirements triggered by the ongoing global health crisis. European Guarantee for Renewable Energy – Non Sovereign (EGRE NS) with CDP is aiming to improve certainty of payments for investors under offtake contracts in renewable energy projects in Africa and addressing the offtakers' non-payment risk which is considered critical for the development of independent power producers.
Maximum guarantee signed with counterpart	39,139,131	145,000,000	20,000,000
Operation type	Portfolio guarantees	Portfolio guarantees	Portfolio guarantees
Risk-sharing structure	First and second loss.	First loss	First loss
Cumulative operations signed by counterpart	79,154,727	145,000,000	119,924,110
Cumulative operations disbursed by counterpart	79,300,000	145,000,000	119,924,110
EU contingent and financial liability			
Available guarantee signed with counterpart	23,292,314	145,000,000	17,053,941
EU risk for operations signed by counterpart	23,292,314	145,000,000	17,053,941
EU risk for operations signed by counterpart and disbursed	23,292,314	145,000,000	17,053,941
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	2,946,059
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	2,946,059
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other)	0	0	0

all figures in EUR and as at 31/12/2025

	Small Loan Guarantee Programme
Overview	
Effective	Yes
Counterpart	IFC
Description	The Small Loan Guarantee Programme (SLGP) to be implemented by the International Finance Corporation (IFC), encourages local banks and finance institutions in the EU Neighbourhood and in Africa to scale up lending to micro, small and medium enterprises (MSMEs). It especially targets businesses in agriculture, education, health, engaged in climate change activities, impacted by the COVID-19 pandemic, including those led by women. To do so, the Programme will provide risk-sharing facilities along with advisory services to improve the availability of loan, guarantee and other financing facility products relevant for small businesses.
Maximum guarantee signed with counterpart	58,000,000
Operation type	Portfolio guarantees
Risk-sharing structure	First loss
Cumulative operations signed by counterpart	223,293,602
Cumulative operations disbursed by counterpart	307,561,471
EU contingent and financial liability	
Available guarantee signed with counterpart	58,000,000
EU risk for operations signed by counterpart	58,000,000
EU risk for operations signed by counterpart and disbursed	58,000,000
Cumulative guarantee calls and recoveries	
Cumulative guarantee calls	0
Cumulative recoveries	0
Cumulative net guarantee calls	0
Fees to counterpart	0
Other expenses (recovery costs, funding costs, other)	0

1.4 External Lending Mandate

1.4.1 Description

Identification/reference to the basic act
Provisions for new disbursements under ELM: Decision (EU) 2022/1628 of the European Parliament and of the Council of 20 September 2022 providing exceptional macro-financial assistance to Ukraine, reinforcing the common provisioning fund by guarantees by Member States and by specific provisioning for some financial liabilities related to Ukraine guaranteed under Decision No 466/2014/EU, and amending Decision (EU) 2022/1201 (OJ L 245, 22.9.2022, pp. 1–13), Art 12. **ELM 2014-2020**: Decision No 466/2014/EU of the European Parliament and of the Council of 16 April 2014 granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investments projects outside the Union; and Decision (EU) 2018/412 of the European Parliament and of the Council of 14 March 2018 amending Decision No 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union. **ELM 2007-2014:** Council Decision No 2006/1016/EC of 19 December 2006 granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community. **ELM 2000-2007:** Council Decision No 2000/24/EC of 22 December 1999 granting a Community guarantee to the European Investment Bank against losses under loans for projects outside the Community (Central and Eastern Europe, Mediterranean countries, Latin America and Asia and the Republic of South Africa). **ELM Old Mandates and Financial Protocols before 2000** comprises many basic acts focused on specific geographical areas which are not listed here.

Maximum amount of budgetary guarantee (in EUR)	**of which available guarantee signed at 31/12/2025**
70,869,500,000	20,880,172,601
of which ceiling authorised in the legal basis (in EUR)	**Counterpart**
70,869,500,000	European Investment Bank (EIB)
of which from external contributions (in EUR)	
0	

Budget Lines
2021-27: 14.020170 (part) - NDICI — Global Europe — Provisioning of the common provisioning fund - ELM 15.020203 (part) - IPA III — Provisioning of the common provisioning fund - ELM 16.060303 (part) - Provisioning of the Common Provisioning Fund - Legacy **Provisioning of the GFEA:** 2014-2020: 01 03 06 - Provisioning of the Guarantee Fund for external actions 2007-2013: 01 04 01 14 - Provisioning of the Guarantee Fund 2000-2006: 01 04 01 13 - Reserve for loans and loan guarantees to and in non-member countries 01 04 01 14 - Payments to the Guarantee Fund in respect of new operations

	Cumulative to 2025	2026	2027	Total*
Budgetary commitment appropriations (in EUR)	**3,443,745,122**	**370,343,316**	**370,066,667**	**4,184,155,105**
of which from voted budget	3,418,637,263	370,066,667	370,066,667	4,158,770,596
of which from internal assigned revenues	25,107,859	276,649	0	25,384,509
of which from external assigned revenues	0	0	0	0
Budgetary payment appropriations (in EUR)	**3,073,678,455**	**531,856,649**	**578,620,000**	**4,184,155,105**
of which from voted budget	*3,048,570,596*	*531,580,000*	*578,620,000*	*4,158,770,596*
of which from internal assigned revenues	*25,107,859*	*276,649*	0	*25,384,509*
of which from external assigned revenues	0	0	0	0
** including ELM Repurposed EIB loans for UA*				

General description

The ELM Decisions (i.e. pre-2000 Protocols and related legislative acts, Council Decision No 2000/24/EC, Council Decision No 2006/1016/EC and Decision No 466/2014/EU of the European Parliament and of the Council, amended by Decision (EU) 2018/412) represent the legal basis for the Union having granted to the European Investment Bank (EIB) a set of budgetary guarantees for financing operations carried out outside the Union (hereinafter the "EU guarantee" or "External Lending Mandate", "ELM"). Decision (EU) 2022/1628 of the European Parliament and of the Council of 20 September 2022 providing exceptional macro-financial assistance to Ukraine, reinforced the Common Provisioning Fund by guarantees by Member States and by specific provisioning for some financial liabilities related to Ukraine guaranteed under Decision No 466/2014/EU, (OJ L 245, 22.9.2022, pp. 1–13), see notably Article 12.

The respective decisions lay down provisions to ensure that EIB financing under the ELM is consistent with corresponding EU policies, programmes and instruments in the different regions. Under the ELM 2014-20, 64 countries outside the EU were eligible for EIB financing operations under the EU budgetary guarantee (following amendments introduced to the ELM Decision in 2018).

Based on the ELM Decision No 466/2014/EU, the Commission concluded a Guarantee Agreement with the EIB in 2014. The maximum ceiling of the EIB financing operations under

EU guarantee was set at EUR 30 billion, broken down into a fixed maximum ceiling of EUR 27 billion and an optional additional amount of EUR 3 billion.

The Guarantee Agreement was amended and restated in 2018 (Decision (EU) 2018/412). In response to the 2015-2016 refugee crisis, this amending ELM Decision introduced the Economic Resilience Initiative (ERI) to contribute to addressing the root causes of migration. A key component of the ERI was the expansion, in both quantitative and qualitative terms, of the EIB External Lending Mandate to enable the Bank to provide additional financing to private-sector beneficiaries, with a view to crowding in private investments and boosting long-term investment. The maximum ceiling for the EIB financing operations under the EU guarantee for the 2014-20 mandate was therefore increased to EUR 32.3 billion.

In order to include long-term economic resilience as an additional objective of the ELM Decision, EUR 1.4 billion was earmarked for public sector investments addressing the needs of refugees and host communities (within the general mandate of EUR 30 billion), and a specific 'ERI Private Mandate' of EUR 2.3 billion (on top of the general mandate of EUR 30 billion) was created to guarantee private-sector investments supporting long-term economic resilience.

A further amendment to the ELM Guarantee Agreement was concluded in 2020 to increase the country limit for Lebanon within the ERI Private Mandate (this possibility eventually remained unused) and one additional amendment was signed in 2021 to extend the duration of the ELM until end 2021, as envisaged by Article 49 of the NDICI-Global Europe Regulation.

Since the amendment of the ELM Decision in 2018, the EU budget was able to guarantee EIB financing operations of up to EUR 32.3 billion (signed in 2014-2020, later extended until end-2021). The EU liability under this guarantee is based on a portfolio cap.

The portfolio cap is defined in Article 1(4) of the ELM Decision in a dynamic way: *"The EU guarantee shall be restricted to 65% of the aggregate amount disbursed and guaranteed under EIB financing operations, less amounts reimbursed, plus all related amounts".* As the overall amounts disbursed and repaid are constantly changing, the 65% threshold is also constantly changing.

Implementation cycle

While the European Parliament and the Council reached a political agreement on the Regulation establishing the ELM's successor at the end of 2020, the NDICI-Global Europe Regulation was not adopted by end-2020 and therefore the time period for signatures under the ELM as set out in the ELM Decision was "automatically" extended by six months, until the end of June 2021.

As the NDICI Regulation was only adopted in June 2021 and to mitigate the risk of business disruptions in ELM regions, the NDICI-Global Europe Regulation amended the ELM Decision by providing:

- an extension of the investment period under the ELM EU Guarantee until 31 December 2021,

- enhanced flexibility for additional reallocations between and within the (sub)-regions under the original overall lending ceilings of EUR 32.3 billion by lifting the initial 20% limit, and

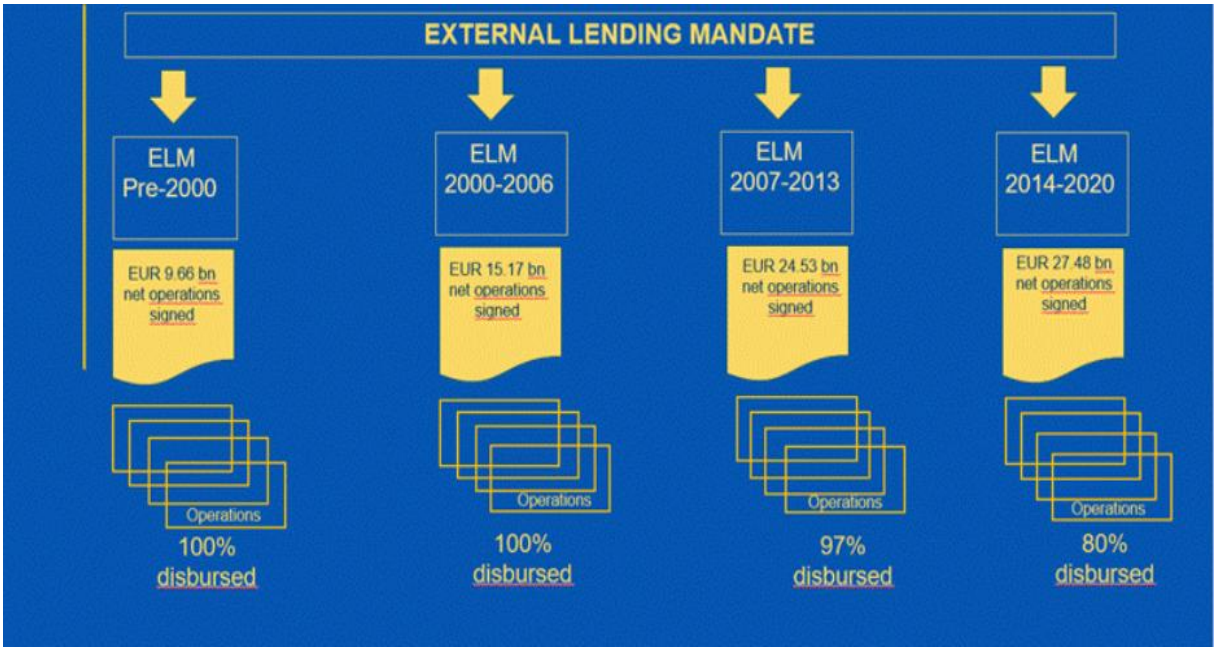
- a deadline extension for the final report on the implementation of the ELM decision to 31 December 2022.

In September 2021, the EIB Board of Directors decided to establish a new branch, "EIB Global", dedicated to EIB activities outside the EU, aiming at improving EIB operations outside the European Union through more focus on development and more impact driven culture and incentives.

Also in 2021, the EIB began to implement the Additionality and Impact Measurement framework (AIM), replacing the previous Results Measurement (ReM) framework. The Additionality and Impact Measurement framework provides a comprehensive basis for measuring results and assessing each EIB project in terms of both its impact and additionality, in line with international best practices.

Implementation diagram

The diagram below depicts the implementation of the different ELM mandates as of 31 December 2025 (amounts refer to signed volumes of EIB financing operations, net of cancellations, and excluding operations in countries that have meanwhile become EU Member States).

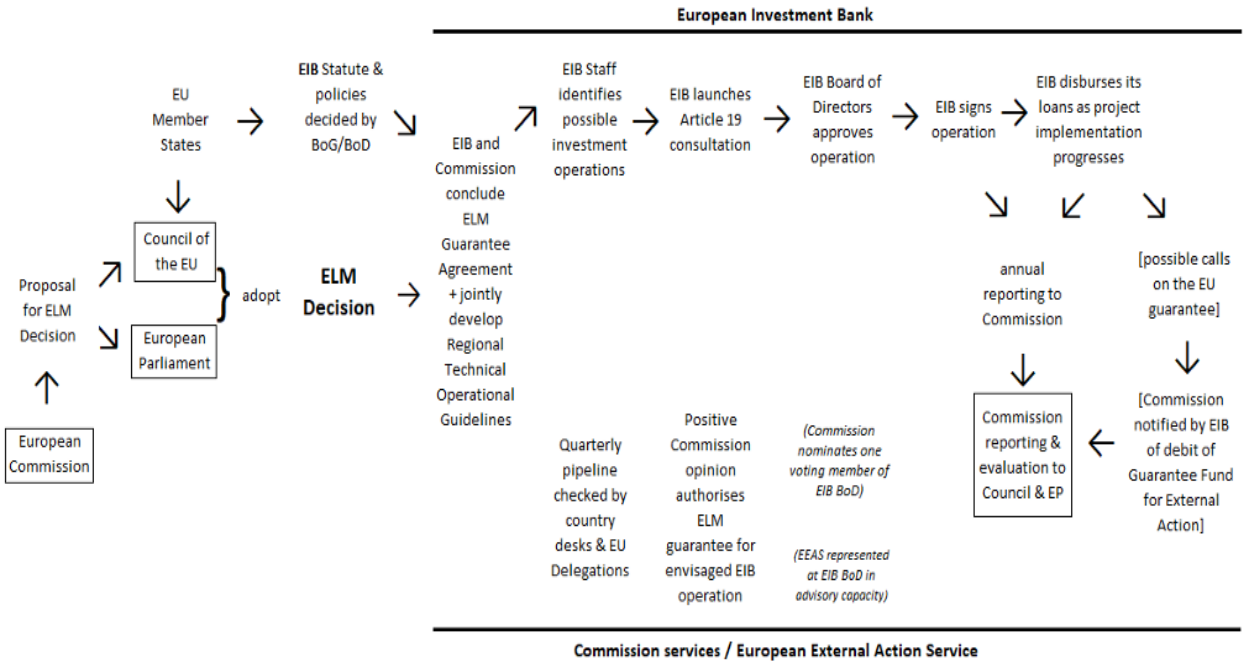


Implementation arrangements

The ELM's basic decision-making process is summarised in the chart below. The main responsibility for design and implementation of operations rests with the EIB and its decision-making bodies, while the Commission exercises an oversight function through the so-called 'Article 19 procedure'[29], whereby the Commission checks the compatibility of the envisaged ELM financing operations with EU law and policies. This Article 19 procedure takes place at a relatively early stage of the process, on the basis of information provided by the EIB.[30]

The ELM with the EIB has been a feature of the external policy of the European Economic Community and subsequently the European Union since 1977.

The rationale of the EU budgetary guarantee intrinsic to the ELM is that it enhances the risk bearing capacity of the EIB to undertake financing operations supporting the achievement of the EU's external policy objectives.



[29] Article 19 of Protocol No. 5 attached to TFEU on the statute of the EIB.

[30] Typically, the Commission opinions on investment projects under preparation by the EIB are issued before the EIB proceeds to the stage of due diligence and detailed technical preparation. The consultation is usually based on fiches of approximately two pages provided by the EIB, which may be complemented by follow-up questions from the Commission and answers by the EIB.

Duration

The last External Lending Mandate has covered the period 2014-2020 and was extended until end-2021 as per Article 49 of the NDICI - Global Europe Regulation (Regulation (EU) 2021/947).

Added value

The EU budgetary guarantee provided to the EIB in the framework of the ELM has as main purpose to support EU policy objectives by enhancing the risk-bearing capacity of the EIB. It enables the EIB to finance a number of operations outside the EU that would not be undertaken at all without the budgetary guarantee, or only on terms significantly less favourable for the beneficiary countries. In turn, the financing operations undertaken by the EIB thanks to the EU guarantee are expected to pursue policy objectives of the EU and to fulfil a number of conditions established by the European Parliament and Council such as strong development, climate change and gender-equality commitments as well as requirements concerning corporate social responsibility, transparency of management and due diligence

Hence, the EIB financing operations performed in the framework of the ELM are an important vehicle to pursue the objectives of the Union's external policy as laid down in the corresponding Decisions. Decision (EU) 2018/412 for instance explicitly underlines that the added value of the ELM rests on its capacity to finance operations aiming at “reducing poverty through inclusive growth and sustainable economic, environmental and social development”.

Application of Article 158.2 FR

The ELM Decision No 466/2014/EU establishes requirements to ensure that ELM operations comply with applicable international and EU standards on the prevention of money laundering, the fight against the financing of terrorism, taxation, and non-cooperative jurisdictions.

Furthermore, the amended ELM Decision (EU) 2018/412 was reinforced with a reference to the fight against tax avoidance, going beyond earlier references to tax evasion and tax fraud.

Article 5 of that Decision requires ELM operations to be consistent with the strategies of the beneficiary countries and Article 7 formulates requirements regarding EIB cooperation with other international or EU Member States’ financial institutions.

The EIB also has an Anti-Money Laundering and Counter Terrorism Financing framework in place (last revised in December 2020). That framework aims to prevent the EIB Group, its governing bodies, staff, and counterparties from being associated with or used for money laundering, financing of terrorism or other criminal activities.

The EIB has in place a control framework aligned with best banking practice that appropriately manages sanctions risk to limit the EIB’s exposure to risk from non-compliance with sanctions that apply to the EIB or EIB’s business.

For the year 2025, the EIB did not report any cases related to the application of Article 158.2 of the Financial Regulation (recast).

Support combined with other Union actions

The ELM guarantee could also be combined with grant support (for instance through the Neighbourhood Investment Platform). However, the EFSD+ Investment Window 1 guarantee has progressively replaced the ELM cover as regards this type of financial support combination.

1.4.2 OPERATIONAL PERFORMANCE

As of 31 December 2025, operations signed by the EIB under **all** ELM mandates amount to EUR 76.8 billion when excluding countries that have meanwhile become EU Member States. The total amount of operations disbursed is EUR 70.7 billion when excluding EU Member States. There have been 668 final recipients on all ELM mandates.

As regards the leverage and multiplier, they take into account that the EU guarantee covers 65% of EIB lending (for mandates 2007-13 and 2014-2020) and EIB on average covers 50% of project costs. The leverage of 1.5 is calculated as the amount signed by the EIB under all the mandates, divided by the amount of EU liability (65% on a portfolio-level basis for the 2007-13 and 2014-20 mandates). The multiplier effect is reported at double the leverage, reflecting the EIB's 50% co-financing rule.

However, the EU guarantee has in a certain way already its built-in leverage as it is in fact provisioned at 9% of outstanding disbursed exposure. This feature of the guarantee significantly increases the effective implicit leverage from 1.5 to approximately 17 and the multiplier from 3.1 to 33. These estimates of leverage and multiplier need to be treated with caution, because the total amount provisioned for the legacy ELM portfolios is determined ex post, in line with the replenishment methodology set out in the GFEA Regulation 480/2009/EU.

The following table summarizes the key operational figures presented above:

Key Figures (as at 31/12/2025)

Total amount of operations signed by counterparts (in EUR)	76,858,416,848
Total amount of operations disbursed (in EUR)	70,717,346,718
Amount transferred to final recipients (in EUR)	70,717,346,718
Number of final recipients	668
Investments made by final recipients	141,434,693,436
Private sector resources mobilised	17,858,000,000
Leverage (ratio)	1.5
Multiplier effect (ratio)	3

Contribution to the achievement of the ELM objectives

Given that no additional operations have been signed under the ELM guarantee after 31 December 2021, reporting under indicators related to policy objectives (by geographical diversification and windows/sector) do not apply for 2025.

1.4.3 FINANCIAL INFORMATION

Financial information at the level of budgetary guarantee

The table below shows the extent to which the EU budget is exposed to possible future payments linked to guarantees given to the EIB under ELM mandates. As of 31 December 2025, the amount of EU liability guarantee on outstanding ELM loans disbursed to final recipients – also taking into account the 65% first loss structure totalled EUR 16.83 billion. When taking into account operations signed by the EIB but not yet disbursed (concerning mainly the 2007-2014 and 2014-2020 mandates) the EU risk extends to EUR 20.88 billion. The investment period of the ELM was prolonged until 31 December 2021 which was the last date for signature of new operations.

all figures in EUR

	EU contingent and financial liability	
	31/12/2025	31/12/2024
Available guarantee signed with counterparts	20,880,172,601	25,771,925,084
EU risk for operations signed by counterparts	20,880,172,601	25,771,925,084
EU risk for operations signed by counterparts and disbursed	16,826,482,885	19,183,637,412

In 2025, the EIB made guarantee calls totalling EUR 8.8 million on the EU guarantee in relation to operations in Ukraine and Syria. Recoveries amounted to EUR 18.4 million, exceeding the value of the guarantee calls.

all figures in EUR

	Guarantee calls and recoveries	
	2025	Cumulative until 31-12-2025
Guarantee calls	8,857,343	1,038,318,502
Recoveries	18,427,240	128,265,411
Net guarantee calls	-9,569,897	910,053,091

The EIB in principle does not remunerate the ELM guarantee (with the exception of budgetary guarantee under the ERI Private Mandate up to EUR 2.3 billion introduced in 2018). In accordance with the ELM Guarantee Agreement, the EIB passes on to the EU the risk-related revenues on these operations. EUR 3.61 million of revenues have been received from EIB for 2025 and EUR 43.55 million is the total amount of revenues that accrued for the EU under the ERI Private Mandate cumulatively.

all figures in EUR

	EU guarantee revenues	
	2025	**Cumulative until 31-12-2025**
EU guarantee revenues	3,613,494	43,548,501

No fees have been paid to the EIB in relation to the EU guarantee under ELM mandate (other than for the asset management of the guarantee fund, until July 2021). Nevertheless, the EU has reimbursed the EIB for the costs of external legal services linked to efforts to recover unpaid amounts.

all figures in EUR

	Expenses	
	2025	**Cumulative until 31-12-2025**
Fees to counterparts	0	0
Other expenses (recovery costs, funding cots, other)	853,029	4,637,400

all figures in EUR as of 31/12/2025

	ELM General Mandate 2014-2020 (Guarantee Agreement 2014 amended 2018) including ERI Private Mandate 2018-2020 (2021 extended)	ELM General Mandate 2007-2013	External Mandate 2000-2006	Old Mandates and Financial Protocols before 2000
Overview				
Effective	Yes	Yes	Yes	Yes
Counterpart	EIB	EIB	EIB	EIB
Description	The EU budgetary guarantee provided in the framework of the ELM enhances the risk-bearing capacity of the EIB by limiting the EIB's risk exposure. In doing so, it enables the EIB to undertake investment operations in riskier environments outside the EU and to pursue policy objectives established by the European Parliament and Council. The amended ELM Decision defined the following high-level objectives: Local Private Sector Development, in particular support to SMEs; Development of Social and Economic Infrastructure, including transport, energy, environmental infrastructure, information and communication technology; Climate Change Mitigation and Adaptation; and the long-term Economic Resilience of refugees, migrants, host and transit communities and communities of origin as a strategic response to addressing root causes of migration.			
Maximum guarantee signed with counterpart	20,955,207,640	19,164,600,000	13,039,000,000	17,670,900,000
Operation type	Loans	Loans	Loans	Loans
Risk-sharing structure	First Loss Piece (capped at 65 % of the aggregate amount disbursed and guaranteed under EIB financing operations, less amounts reimbursed, plus all related amounts).		First Loss Piece guarantee restricted to 65% of the aggregate amount of the credits opened, plus all related sums. The overall ceiling of the credits opened was EUR 18 410 million.	Guarantee restricted to 70% 75% and 100% of the aggregate amount of the authorized credits opened, depending on the mandates
Cumulative operations signed by counterpart	27,482,800,000	24,529,526,848	15,170,820,000	9,675,270,000
Cumulative operations disbursed by counterpart	21,907,610,000	23,972,916,718	15,170,820,000	9,666,000,000
EU contingent and financial liability				
Available guarantee signed with counterpart	20,880,172,601			
EU risk for operations signed by counterpart	20,880,172,601			
EU risk for operations signed by counterpart and disbursed	16,826,482,885			
Cumulative guarantee calls and recoveries				
Cumulative guarantee calls	1,038,318,502			
Cumulative recoveries	128,265,411			
Cumulative net guarantee calls	910,053,091			
Cumulative expenses				
Fees to counterpart	0			
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	4,637,400			

1.5 European Fund for Sustainable Development Plus

1.5.1 Description

European Fund for Sustainable Development Plus

Identification/reference to the basic act	
Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009	
Maximum amount of budgetary guarantee (in EUR)	**of which available guarantee signed 31/12/2025**
39.901,941,478	33,964,841,683
of which ceiling authorised in the programming (in EUR)	**Counterpart**
39,658,000,000	Agence Française de Développement (AFD) Bank Gospodarstwa Krajowego (BGK) Cassa Depositi e Prestiti (CDP) Climate Fund Managers B.V. (CFM) Cofides Deutsche Investitions- und Entwicklungsgesellschaft (DEG) European Bank for Reconstruction and Development (EBRD) European Development Finance Institutions Mangement Company (EDFI MC) European Investment Bank (EIB) Finnish Fund for Industrial Cooperation (Finnfund) Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) International Finance Corporation (IFC) Impact Fund Denmark (IFDK)[31] Kreditanstalt für Wiederaufbau (KfW) Proparco
of which from external contributions (in EUR)	
243,941,478	
Budget Lines	
14 020170 (ENEST, INTPA, MENA) EFSD+; 15 020203 (NEAR) EFSD+; 14020160	

	Cumulative to 2025	**2026**	**2027**	**Total**
Budgetary commitment appropriations (in EUR)	**5,471,898,673**	**1,894,720,757**	**2,085,379,640**	**9,451,999,070**
of which from voted budget	4,970,495,541	1,892,770,299	2,085,379,640	8,948,645,480[32]
of which from internal assigned revenues[33]	1,403,132	1,950,458	-	3,353,590
of which from external assigned revenues[34]	500,000,000	0	0	500,000,000

[31] Investment Fund for Developing Countries (IFU).

[32] Including Mercosur and top-up Investment Window 1 reinforcements from the cushion.

[33] Fees.

[34] ACP reflows.

Budgetary payment appropriations (in EUR)	**3,295,420,400**	**1,946,950,458**	**2,270,000,000**	**7,512,370,858**[35]
of which from voted budget	2,794,017,268	1,945,000,000	2,270,000,000	7,009,017,268
of which from internal assigned revenues	1,403,132	1,950,458	-	3,353,590
of which from external assigned revenues	500,000,000	0	0	500,000,000

General Description

On 14 June 2021 the European Union adopted the Regulation establishing the Global Europe - Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe), which is the main financial tool to implement the EU's international cooperation for the period 2021-2027.

It consists of three pillars: geographic, thematic and rapid response, complemented by an additional emerging challenges and priorities cushion. Under NDICI- Global Europe, the Europe European Fund for Sustainable Development Plus (EFSD+) has been set up as an integrated financial package supplying financing capacity in the form of grants, technical assistance, financial instruments, budgetary guarantees and blending operations across Africa, the Neighbourhood and Enlargement countries, Asia and the Pacific and the Americas and the Caribbean. In accordance with the NDICI- Global Europe regulation, operations are covered for a maximum amount of EUR 53.4 billion by the broader External Action Guarantee (EAG), which supports mainly the EFSD+ guarantee, as well as MFA and Euratom loans.

In particular, the EFSD+ guarantee can be deployed through 4 different modalities of support to investment, depending on the profiles of counterparts:

- **EFSD+ Investment Window 1** targets investments by sovereign and non-commercial sub-sovereign counterparts fully backed by an explicit guarantee of the State because they do not have the legal capacity or the financial autonomy or ability to benefit from necessary direct financing. The EU provides comprehensive guarantee cover for these operations, which are undertaken by the EIB, who has exclusivity with the implementation.
- **EFSD+ Investment Window 2** supports investments by commercial sub-sovereign counterparts, which are not backed by an explicit guarantee of a State and that are financially able to borrow at their own risk and have the legal capacity to do so. These types of operations are covered by the EU comprehensive guarantee which is dedicated but non-exclusive to the EIB. Thus, this window is deployed on terms similar to the ones provided to other eligible counterparts within other Windows (i.e., “EFSD+ Open Architecture”, referred below).

[35] Remaining balance will be paid during the next MFF.

- **EFSD+ Investment Window 4** focuses on investments involving high-risk private sector operations in Africa, Caribbean and Pacific (ACP) countries. The Joint Understanding on the re-use of the ACP Investment Facility (IF) reflows between the European Commission and EIB stipulates that 50% of the available reflows under the ACP IF will be allocated to the EIB dedicated Investment Window 4 for which the EU provides a comprehensive guarantee (i.e., up to EUR 3.5 billion of guaranteed operations, in addition to EUR 0.5 billion for impact operations under the ACP Trust Fund).
- **EFSD+ Open Architecture** involves investments in private or commercial sub-sovereign entities, which have the financial and legal ability to borrow in the market on commercial terms. In this case, the EU guarantee can be extended to a wide number of implementing partners, including the EIB. This window follows an open architecture approach where implementing partners are selected according to their operational capacity and contribution to the EU policies.

The EFSD+ guarantee capacity amounts to a maximum of EUR 39.658 billion, of which EUR 26.558 billion[36] is currently allocated to the EIB dedicated Investment Windows1 and 2 and EUR 13.1 billion for the EFSD+ Open Architecture[37] .

Under all modalities (i.e., EFSD+ Investment Windows 1, 2, 4 and Open Architecture), NDICI-Global Europe defines the key guiding principles that should be applied in the implementation of EFSD+ guarantees. According to Article 31 of the NDICI Regulation, the EFSD+ shall pursue the following objectives and principles:

- Foster sustainable and inclusive economic, environmental and social development, transition into sustainable value-added economy and a stable investment environment.
- Promote socio-economic and environmental resilience in partner countries with a particular focus on the eradication of poverty.
- Contribute to the reduction of socio-economic inequalities, sustainable and inclusive growth, climate change adaptation and mitigation, environmental protection and management, the creation of decent jobs on the basis of the core International Labour Organization standards, economic opportunities, skills and entrepreneurship, socio-economic sectors, including social enterprises and cooperatives, SMEs, sustainable connectivity, the support to vulnerable groups, the promotion of human rights, gender equality and the empowerment of women and young people, as well as addressing

[36] This overall signature limit is shared by the Investment Windows 1 and 2. Investment Window 3 which would provide political risk coverage for private sector operations is not yet implemented.

[37] The total amount of EUR 39.658 billion does not include EFSD+ Investment Window 4. The provisioning for the guarantee capacity for this Window stems from reflows under the ACP Investment Facility.

specific socio-economic root causes of irregular migration and root causes of forced displacement.

- Attribute special attention to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries, including by providing support for institutional capacity building, economic governance and technical assistance.

Implementation Cycle

The European Fund for Sustainable Development Plus (EFSD+), builds on the European Fund for Sustainable Development (EFSD) as established by Regulation (EU) 2017/1601 and on the EIB's External Lending Mandate (ELM) established by Decision 466/2014/EU.

As defined in the NDICI-Global Europe Regulation, the specific allocation of funds for EFSD+ operations was based on an exhaustive programming exercise, taking into consideration, inter alia, the realities and needs of each partner country and region. In this respect, the EFSD+ Strategic Orientations 2021-2027, endorsed by the EFSD+ Strategic Board on its first meeting of 10 November 2021, established a set of guiding principles and strategic areas for investment to be supported by the EFSD+.

Investment Window 1 and 2

In April 2022, the EIB and the European Commission – on behalf of the EU – signed the EFSD+ Investment Window 1 Guarantee Agreement through which the Commission provides EU guarantee of up to EUR 26.558 billion[38] to support EIB financial operations to enable crucial public investments in sectors such as clean energy, digital and transport infrastructure, health and education. The respective financing operations can be signed by the EIB until the end of 2028. The EFSD+ Investment Window 1 Guarantee Agreement is the largest guarantee agreement to be signed in the framework of the EFSD+ supporting the green and digital transitions in EU partner countries as well as the implementation of the Global Gateway initiative, the Reform Agendas and Growth Plans for Neighbourhood and Enlargement

[38] The original signature limit in the Guarantee Agreement was EUR 26.725 billion. However, in the context of Russia's war of aggression against Ukraine, it was agreed that the EU would contribute to the EIB Support Package for Ukraine by providing guarantee cover for EIB loans amounting to EUR 100 million under EFSD+ Investment Window 1. Given the Commission's risk assessment concerning this additional exposure to Ukraine and the fact that the underlying amount of available provisioning for the EFSD+ Investment Window 1 Guarantee remained unchanged, the EIB agreed to reduce its planned utilisation of the "EFSD+ dedicated Investment Windows limit" set out in the EFSD+ Guarantee Agreement for Investment Window 1 from EUR 26.725 billion to EUR 26.036 billion. With the signature of the EFSD+ Investment Window 2, the limit was raised to EUR 26.558 billion as the guarantee allocation for Türkiye was increased. It should be noted that the overall signature limit of EUR 26.558 billion is for EFSD+ Investment Window 1 and Investment Window 2.

countries, the Connectivity Agenda, the Pact for the Mediterranean as well as Strategic and Comprehensive Partnerships.

The Guarantee Agreement for EFSD+ Investment Window 1 defines the financial and operational arrangements for the deployment of the EU guarantee cover for EIB sovereign and non-commercial sub-sovereign operations that enter under the EFSD+ Investment Window 1. It also includes provisions on cooperation modalities between both institutions, the Commission and the EIB, such as the so called "3-stage Approval process" designed to develop and approve operations in the spirit of the "policy first" approach of the NDICI - Global Europe Regulation. The Commission's role is to assess if the operations that the EIB proposes meet the eligibility criteria established in the NDICI – Global Europe Regulation to access the EU comprehensive guarantee cover of the EFSD+ Investment Window 1 and if they are in line with the Commission's strategic priorities for the respective partner country.

In July 2025, the EIB and the European Commission – on behalf of the EU – signed the EFSD+ Investment Window 2 Guarantee Agreement through which the Commission provides EU guarantee for EIB operations with commercial sub-sovereign counterparts of up to EUR 5 billion within the limits of the aggregate signature limit for all EIB-dedicated EFSD+ Investment Windows of EUR 26.558 billion. The Investment Window 2 is split into two sub-portfolios: the Public Interest and Infrastructure Portfolio of up to EUR 3.5 billion and the Commercial Portfolio of up to EUR 1.5 billion.

The EU guarantee under Investment Window 2 is remunerated and the EIB retains a share of first losses ("skin in the game"), which distinguishes Investment Window 2 from Investment Window 1. Similarly to Investment Window 1, the Investment Window 2 Guarantee Agreement includes a procedure for carefully coordinated selection and approval of the respective projects in close cooperation between the Commission and the EIB in order to ensure alignment with key EU policy priorities.

For the EFSD+ Window 1 Guarantee and the Public Interest and Infrastructure Portfolio of the EFSD+ Window 2 Agreement the EU guarantee cover available to the EIB and the maximum volume of EIB financing operations that the EIB can sign coincide. In other words, individual operations are guaranteed 100%. Under the EFSD+ Investment Window 1, the portfolio-level EU FLP is capped at 65%. Under the Public Interest and Infrastructure Portfolio of EFSD+ Investment Window 2, the portfolio-level EU FLP is capped at 42%. The EU FLP for the Commercial Portfolio of the EFSD+ Window 2 is capped at 55%; however, the EU only covers 95% of each operation with the remaining 5% retained by the EIB.

Investment Window 4

The Investment Window 4 focuses exclusively on private-sector projects in Africa, the Caribbean, and the Pacific (ACP), capitalising on the capacity of reflows stemming from the ACP Investment Facility. The Investment Window 4 supports innovation and growth, helping local businesses to thrive and boosting economic resilience in ACP regions. Thanks to EU guarantees, the Investment Window 4 unlocks new opportunities for private-sector development, making it a key instrument for sustainable progress.

Investment Window 4 remains the EU's exclusive private sector window for ACP regions, aligned with the 2030 Agenda, the Paris Agreement and the "do no significant harm" principle. It reinforces the EIB's commitment to exceed 50% climate and environmental

lending, while supporting the EU's Global Gateway objectives through risk sharing and catalytic investment.

In 2025, the "Follow-up Note to the Global Gateway Adjustment Plan for INTPA-EIB Private Sector Operation" has been established in cooperation with the EIB. The purpose of this note is to guarantee a targeted use of intermediated lending and a strengthened recourse to project finance and corporate lending in support to the Global Gateway strategy.

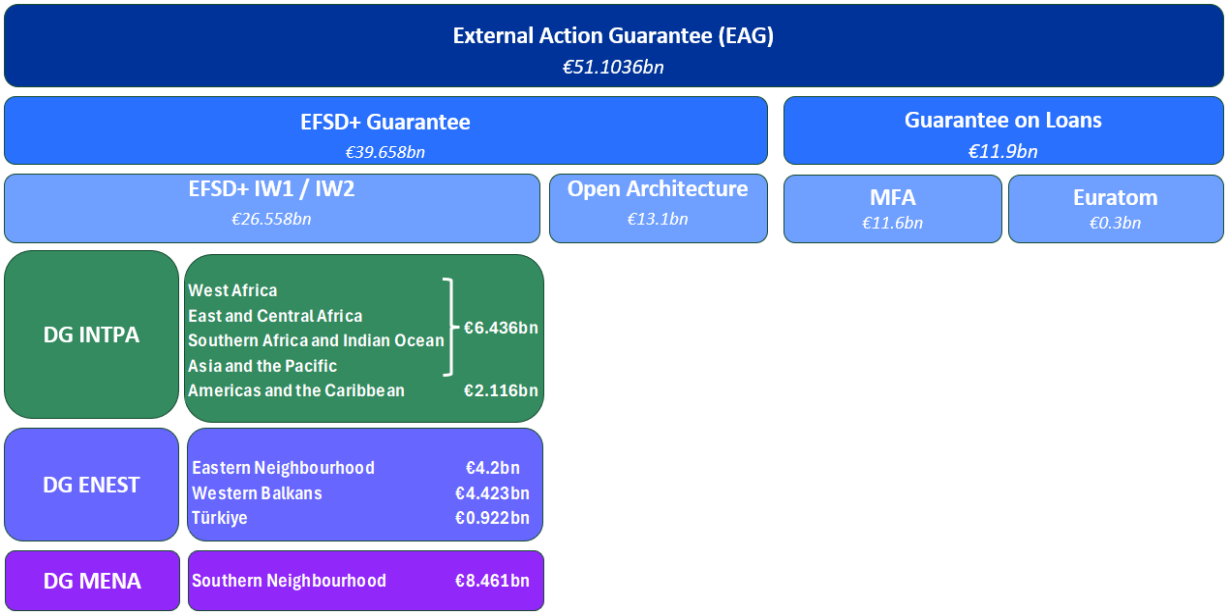
Open Architecture

In 2025, another 20 guarantee agreements have been signed under the Open Architecture with a total cover limit exceeding EUR 3 billion. This takes the total number of EFSD+ signed guarantee agreements to 41.

The newly signed GAs are: AccelerET and Impact+ with AFD; Digital Transformation in Sub-Saharan Africa with BGK; Transforming and Empowering Resilient and Responsible Agribusiness (TERRA) and Renewable Infrastructure & Sustainable Energy Programme (RISE) with CDP; Ocean and Climate Finance Facility with CFM; Sustainable Off-Grid Lighting Programme, Global Social Impact Fund Programme and Triple Bottom Line Inclusive Finance in Latin America Programme – Phase II with Cofides; Renewable Energy Transition (RET), Transforming Global Value Chains (TGVC), EU Market Creation Facility (EUMCF) – Pricing Component Plus (PC+) and Liquidity Platform for Impact with EDFI MC; NASIRA+ with FMO; Better Futures Programme (BFP) – Global Allocation with IFC; Africa GreenCo with IFDK; Green Energy for Africa and Asia with KfW; and Liquidity Accelerator Fund and Choose Africa with Proparco.

Seven of these same guarantee agreements also cover ENEST-MENA regions (BFP – Global Allocation; TERRA; EU MCF – PC+; Liquidity Platform for Impact; Nasira+; Choose Africa; Impact +). On top of these, two GAs signed in 2025 exclusively cover the ENEST-MENA region: EBRD Risk Sharing for ESG Projects and; KfW Green Transition.

Initial indicative allocations of the External Action Guarantee



The cumulative guarantee ceiling for EIB-dedicated Investment Windows is set at EUR 26.558 billion. With the signature of the IW2 Guarantee Agreement in July 2025, it was agreed to temporarily decrease the overall cumulative limit of the Sub-Saharan Africa and Asia and the Pacific regional allocations to EUR 6.436 billion[39], to set the regional limit for the Americas and the Caribbean at EUR 2.116 billion, and to increase the allocation for Türkiye to EUR 922 million.

Implementation arrangements

The EFSD+ Guarantees are being implemented by Development Finance Institutions (DFIs) counterparts which are eligible to operate under indirect management. The approval process of individual guarantee agreement is a multi-stage process, culminating in a Commission Decision on the Proposed Investment Programmes (PIPs) to be supported by the EFSD+ Guarantee, based on both the information provided by the eligible counterparts in their application form and the recommendation of the Operational Boards.

Pursuant to Article 36 of the NDICI Global Europe regulation, the EIB implements three dedicated Investment Windows covering a comprehensive risk cover for operations with sovereign counterparts and non-commercial sub-sovereign counterparts, commercial and sub-sovereign partners and a political risk guarantee for private sector lending. The Open Architecture Window covers sub-sovereign counterparts, and is implemented by a wide array of partners, including the EIB and European and international and regional DFIs. Such multi-partner participation leverages the impact of the instrument and enhances development policy coherence to promote Global Gateway policy priorities via the Team Europe approach.

The involvement of European DFIs brings valuable regional expertise and sector-specific knowledge. In particular, European DFI's understanding of local contexts and their established networks on the ground ensure that projects are financially viable while remaining also socially and environmentally sustainable.

Further, by promoting the participation of European DFIs, the Open Architecture Window enhances the EU's expertise in applying innovative financing solutions that better address the financing gaps and institutional weaknesses of the financial markets of our partner countries. This improves the scalability and efficient replication of projects and ensure that financial resources are best directed towards the policy objectives of NDICI and EFSD+ thematic windows. Global Gateway high-impact priorities such as infrastructure development, energy transformation, and support for small and medium-sized enterprises (MSMEs) are thus more effectively served.

In short, involving European DFIs strengthens the EU's strategic objectives by aligning investments with EU policy goals, while promoting European values and standards in development finance. It ensures that the collective expertise and resources of the European

[39] This has been further consolidated and aligned for both Guarantee Agreements through an exchange of letters signed in January 2026.

financial ecosystem are fully utilized, thereby maximizing the impact, sustainability, and resilience of the initiatives supported under the EFSD+.

Duration

Pursuant to Article 31 of the NDICI Global Europe Regulation, guarantee agreements can be concluded with the eligible counterparts until 31 December 2027.

The corresponding Guarantee Agreement with the EIB for Investment Window 1 has been operative since its signature on 29 April 2022. The investment period during which EIB can sign financing operations under this guarantee, lasts until end-2028. The Guarantee Agreement for Investment Window 2 has been operational since its signature on 31 July 2025, with the investment period likewise lasting until end-2028.

For guarantee agreements under the EFSD+ Open Architecture, once an agreement is signed, eligible counterparts subsequently have typically three years as from the effective date of the guarantee agreement to conclude agreements for underlying operations with co-financing partners, financial intermediaries or final beneficiaries. This ramp up period would be extendable to up to five years based on a duly justified extension request. For guarantee agreements covering large infrastructure projects, the ramp up period would generally be up to five years, further extendable subject to a duly justified request based on implementation progress and deployment prospects.

Added Value

The EFSD+ Guarantee uses scarce resources in an innovative way to mobilise public and private investment, thereby creating growth and employment opportunities, maximising additionality, delivering innovative products and crowding-in private sector funds.

The EU budgetary guarantee provided in the framework of the EFSD+ Investment Window 1 and the EFSD+ Investment Window 2 supports EU policy objectives such as the Global Gateway and the implementation of the different Strategic and Comprehensive Partnerships, the Pact for the Mediterranean, the Reform Agendas and Growth Plans with partner countries in the Neighbourhood and Enlargement Regions and the Connectivity Agenda, by enhancing the risk-bearing capacity of the EIB. It significantly limits the EIB's risk exposure to a risk profile commensurate with the rules laid down by the EIB's governing bodies. Thus, the EU guarantee enables the EIB to undertake investment operations in riskier environments outside the EU for projects that offer public goods and services for the population. In turn, as a result of the EU guarantee, the financing operations undertaken by the EIB are expected to adequately address policy objectives and fulfil a number of conditions established by the EU legislators, i.e., the European Parliament and Council.

The added value of the EFSD+ Investment Window 1 can already be seen in the development impact expected from the guaranteed operations. Overall, key expected results of the covered operations signed by the EIB as of the end of 2025 include, among others:

- Job creation: direct lending operations for infrastructure of various types (e.g., transport sector, energy installations, water-related infrastructure) are expected to support at least 191,000 jobs during construction and approximately 69,000 jobs during operation. Investment projects supporting MSMEs (micro, small and medium-

sized enterprises) and mid-caps through intermediated lending are anticipated to support approximately 742,000 jobs in the final beneficiary companies.

- Within the renewable energy sector, it is anticipated that additional electricity production from renewable sources will amount up to 3,035 GWh/yr, which translates into the potential of providing electricity to an additional 1.2 million households. The length of electricity transmission and distribution lines constructed or upgraded with EU support is 24,617 km.
- In relation to the transport sector, the estimated length of new or upgraded roads is 8,201 km, and the estimated length of new or upgraded railways is approximately 1,868 km. Furthermore, new or upgraded urban transport is expected to benefit up to 136 million passengers annually.
- In terms of digital sector, the estimated number of people with access to mobile broadband connectivity is approximately 38,000.
- In the water and sanitation sector, the estimated number of people that will have access to improved drinking water sources and/or sanitation facilities is 40 million.

The added value of the EFSD+ Investment Window 2 is also already visible in the development impact expected from the guaranteed operations. Overall, key expected results of the five covered operations signed by the EIB as of the end of 2025 include, among others:

- Job creation: directly supported operations are expected to support at least 8,300 jobs during construction and approximately 52,000 jobs during operation.
- Within the renewable energy sector, it is anticipated that additional electricity production from renewable sources will amount up to 3,504 GWh/yr, which translates into the potential of providing electricity to an additional 1.4 million households.
- In the transport sector, the estimated length of new or upgraded roads is 2,400 km.

Furthermore, investment projects under the EFSD+ should be closely linked with policy priorities/reforms in partner countries within the spirit of "policy first" approach.

The **EIB Investment Window 4** aims at supporting the Global Gateway strategy and Jobs and sustainable and inclusive Growth, the EU Green Deal, and underpinned by Team Europe Initiatives as well as flagship project investments. Examples include boosting smart, clean and secure links in digital, energy and transport and strengthen health, education and research systems. This EIB Dedicated ACP Window is part of a single-package approach alongside the ACP Trust Fund and complements EFSD+ open architecture guarantee operations in ACP countries by the EIB and other Finance Institutions. Private Sector development is the priority area for Investment Window 4.

The added value of the **EFSD+ Open Architecture** allows European and international financial institutions to contribute to the objectives of the EFSD+, innovate and reduce investment risk in partner countries, thus helping mobilising private sector investments. Thus, EFSD+ Open Architecture allows investors including private companies, and in particular micro, small and medium-sized enterprises (MSMEs), to contribute more effectively to sustainable development by helping them in accessing finance for their investment needs.

Issues relating to the application of Article 158.2 FR

When implementing EFSD+ guarantee agreements financial institutions are contractually obliged to comply with applicable Union law and agreed international and Union standards and, therefore, not support actions that contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion. Financial institutions may not enter into agreements with entities established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions or that are identified as high-risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information.

Furthermore, when concluding agreements not only with implementing partners but also with their financial intermediaries, entities implementing EFSD+ Guarantees must transpose these requirements into the relevant agreements. The financial intermediaries are also obliged to report on the observance of these requirements.

In the reporting period, no issues were reported by the EIB or any other Development Financial Institution.

Support combined with other Union actions

Operations under EFSD+ Investment Window 1 and Investment 2 can also benefit from investment grants or technical assistance (TA) grants under the respective blending platforms. The need for an investment grant or TA grant must be justified and is decided following a thorough assessment of the project proposal submitted by the EIB.

The Open Architecture guarantees are accompanied by technical assistance contracts in the form of contribution agreements that support the deployment of the respective guarantee agreements. As of 31/12/2025, the signed technical assistance contracts for Open Architecture guarantees amounted to EUR 295.6 million.

1.5.2 OPERATIONAL PERFORMANCE

In 2025, the operational performance of the EFSD+ reflected continued progress in translating the EU's guarantee capacity into concrete investment operations, with a material increase in guarantee deployment compared with 2024. Out of a maximum guarantee amount of EUR 34.3 billion signed with counterparts, cumulative signed operations reached EUR 18.3 billion, while cumulative disbursements amounted to EUR 3.7 billion. These figures indicate that a substantially larger share of the available guarantee envelope has moved into active use, alongside a growing volume of operations progressing into the disbursement phase. Overall, this performance underscores EFSD+'s expanding role in mobilising investment in partner countries and in advancing the EU's broader external policy and development objectives.

In 2025, under the EFSD+ Investment Window 1, the EIB provided EUR 143.5 million in financing for the project "**Chisinau District Heating**". This project aims to modernise and rehabilitate the district heating network in Moldova's capital and addresses decades of underinvestment in the city's residential heating systems. The investment is expected to deliver significant climate, energy-efficiency and social benefits. Modernising the network is

expected to reduce household energy consumption by around 25%, cut carbon emissions by approximately 7% and restore reliable domestic hot water supply across the serviced areas. Overall, the project is projected to reduce greenhouse gas emissions by more than 40,000 tonnes annually.

One of the flagship operations under the EFSD+ Investment Window 1 in 2025 was "**Dhaka Environmentally Sustainable Water Supply Project**" supported by a EUR 70 million top-up EIB loan. By delivering an environmentally sustainable water supply, the project advances Pakistan's public health, enhances productivity and fosters poverty reduction, with a strong focus on vulnerable communities. The project ensures reliable access to clean water for over four million residents, including to over 69,000 new households.

Under the EFSD+ Investment Window 2, the EIB signed EUR 127.6 million in financing for the project "**Obelisk Solar PV and BESS**" in Egypt. The operation will deploy 1.1 GWp of new solar photovoltaic capacity alongside a 200MWh battery energy storage system, strengthening Egypt's ability to generate and store electricity from solar energy. By delivering clean, renewable power at a cost below fossil fuel alternatives, the project is expected to generate significant economic and social benefits for Egypt and support key EU and advance Egypt's clean energy transition**.**

In 2025, 20 new **Open Architecture** guarantees agreements were signed, with several of these newly guarantees programmes delivering concrete results. One example of an innovative approach is Finnfund – Africa Connected where, through a combination of equity and debt instruments and strong mobilization of private resources, the digital infrastructure in Sub-Saharan Africa is being modernised allowing millions of customers to have access to clean and reliable energy and highspeed internet connection. In 2025, Finnfund closed a US dollar 4 million debt investment with **Poa Internet Kenya Ltd. ("Poa Internet"), a Kenyan internet service provider**, to expand its network and improve internet accessibility. The investment aims to support Poa Internet in bridging the digital divide by providing affordable broadband internet to underserved communities in Kenya.

In 2025, the guarantee "Liquidity Accelerator Fund" was signed with Proparco: the first "secondary" private equity funding focusing on developing and emerging markets. Backed by the EFSD+ guarantee, the Liquidity Accelerator Fund aims to attract European institutional investors and channel more long-term finance to businesses in partner countries. Its main goal is to create a secondary market for private equity stakes in investment funds in our partner countries. The fund was set-up in 2025, and it has now completed its first transactions by taking over an investment package from a well-known European Development Finance Institution, giving it additional liquidity to invest in new projects. The package includes an **equity stake in Omnivore, one of India's most innovative venture capital impact funds**, which backs start-up technology companies in food, agriculture and the rural economy.

In the ENEST-MENA regions, MSME-focused guarantee products, such as EBRD Resilience and Resilience Plus, have long allowed to support local companies with direct lending. For example, in 2025 alone, **Resilience Plus supported more than EUR 100 million in lending to companies in Egypt, Jordan, Morocco and Moldova.** Similarly, in 2025 alone EBRD Hi-Bar enabled direct investments for another EUR 100 million in energy projects in Egypt and Bosnia and Herzegovina. At the same time, intermediated lending programmes such as EBRD Financial Inclusion sustained MSMEs access to finance for more than EUR 50 million.

By the end of 2025, the EFSD+ guarantees already achieved significant results. Just to name some of the more salient impacts:

- 39,000 direct jobs supported.
- More than 119,000 indirect jobs supported.
- More than EUR 1.4 billion of loans granted to MSME.
- More than 26 million of people with access to internet through Finnfund's Africa Connected.
- Over 21,000 ha of natural resources under sustainable management through EDFI MC's Carbon Sinks

Operational performance – Open Architecture	
Key Figures	
Total amount of operations signed by counterparts	**1,918,914,339**
Total amount of operations disbursed	**1,062,494,273**
Leverage	**1.5**
Multiplier effect	**1.6**
Amount transferred to final recipients	**2,164,093,897**
Number of final recipients	**78,662**
Investments made by final recipients	**2,286,684,372**
Private sector resources mobilised	**7,361,185,353**

Operational performance – Investment Window 1	
Key Figures	
Total amount of operations signed by counterparts	**13,816,306,634**
Total amount of operations disbursed	**1,986,135,369**
Leverage	**1.5***
Multiplier effect	**3****
Amount transferred to final recipients	**1,986,135,369**
Number of final recipients	**N/A**
Investments made by final recipients	**3,972,270,738**
Private sector resources mobilised	**N/A**

As regards the leverage and multiplier, they take into account that EU liability is capped, at portfolio level, at 65%* of EIB lending and EIB on average covers 50%** of project costs.

Operational performance – Investment Window 2

Key Figures

Total amount of operations signed by counterparts	**812,872,340**
Total amount of operations disbursed	**75,000,000**
Leverage	**2.2**
Multiplier effect	**4.4***
Amount transferred to final recipients	**75,000,000**
Number of final recipients	**N/A**
Investments made by final recipients	**150,000,000**
Private sector resources mobilised	**N/A**

* As regards the leverage and multiplier, they take into account that EU liability is capped, at 42% for the Public Interest and Infrastructure Portfolio and 55% (with EU only covering 95%) for the Commercial Portfolio and the EIB on average covers 50% of the total project cost.

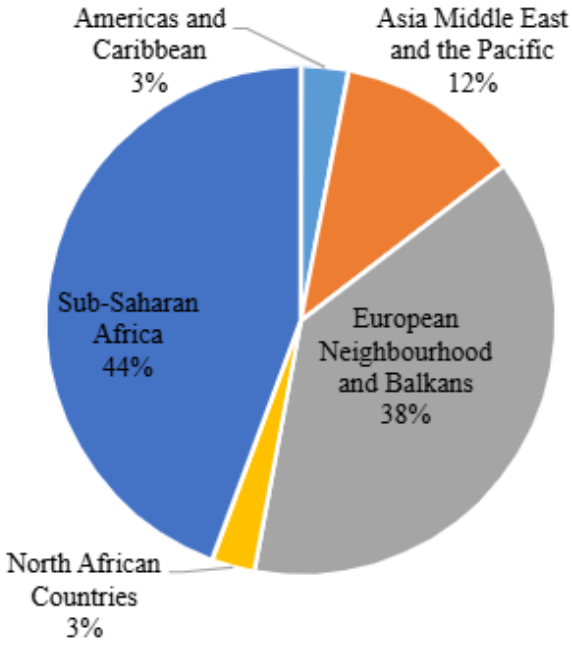
Operational performance – Investment Window 4

Key Figures

Total amount of operations signed by counterparts	**1,795,492,082**
Total amount of operations disbursed	**544,049,740**
Leverage	**1.8**
Multiplier effect	**2.9**
Amount transferred to final recipients	**544,049,740**
Number of final recipients	**N/A**
Investments made by final recipients	**1,572,303,749**
Private sector resources mobilised	**N/A**

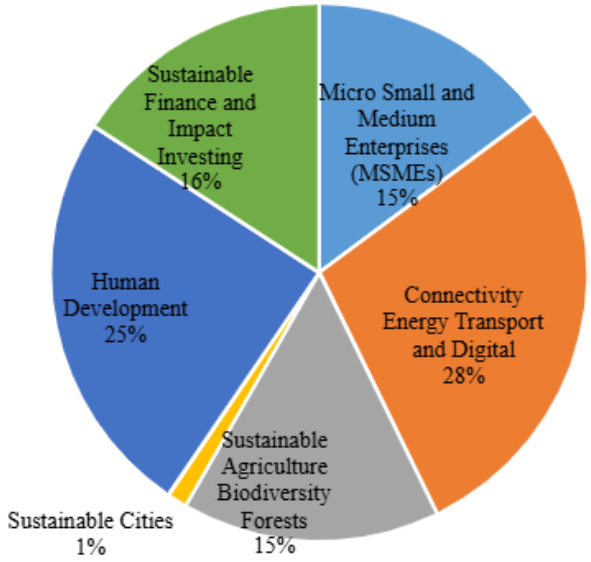
EFSD+ Open architecture geographical diversification

As of 31 December 2025, out of the total signed operations amounting to EUR 1.9 billion, Asia and the Pacific received EUR 222.5 million (12%), European Neighbourhood and Balkans received EUR 735.5 million (38%), North African Countries received EUR 52.3 million (3%), and Sub-Saharan Africa received EUR 851 million (44%).



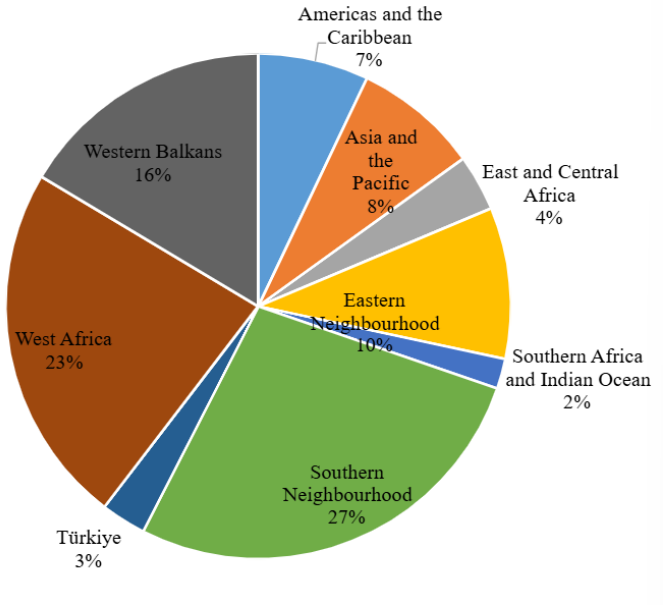
EFSD+ Open architecture sectoral diversification

As of 31 December 2025, out of the total signed operations amounting to EUR 1.9 billion, EUR 285 million (15%) was allocated to Micro Small and Medium Enterprises (MSMEs), EUR 535.4 million (28%) to Connectivity Energy Transport and Digital, EUR 298 million (15%) to Sustainable Agriculture Biodiversity Forests, EUR 23 million (1%) to Sustainable Cities, EUR 473 million (25%) to Human Development and EUR 304.3 million (16%) to Sustainable Finance and Impact Investing.



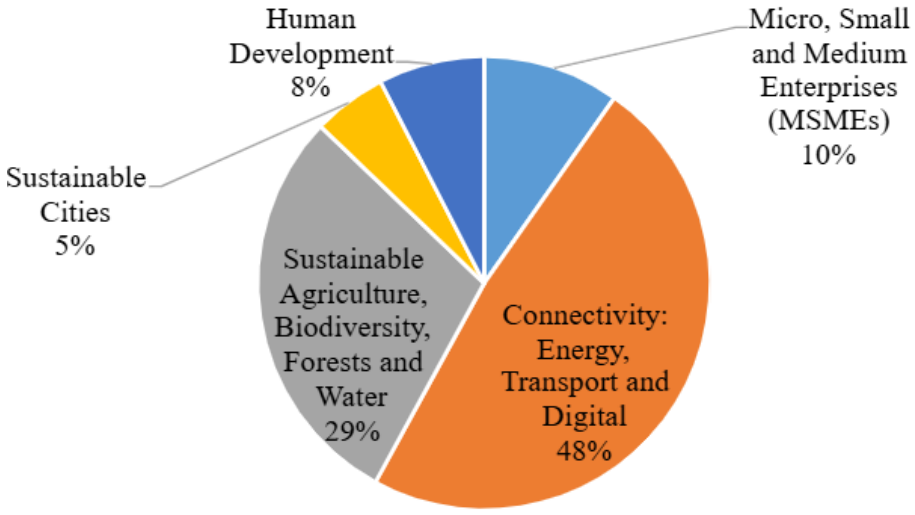
EFSD+ Window 1 geographical diversification

As of 31 December 2025, out of the total signed operations amounting to EUR 13.8 billion, the Americas and the Caribbean received EUR 978.6 million (7%), Asia and the Pacific received EUR 1.1 billion (8%), East and Central Africa received EUR 489.5 million (4%), the Eastern Neighbourhood received EUR 1.3 billion (10%), Southern Africa and the Indian Ocean received EUR 266.3 million (2%), the Southern Neighbourhood received EUR 3.7 billion (27%), Türkiye received EUR 400 million (3%), West Africa received EUR 3.2 billion (23%), and the Western Balkans received EUR 2.2 billion (16%).



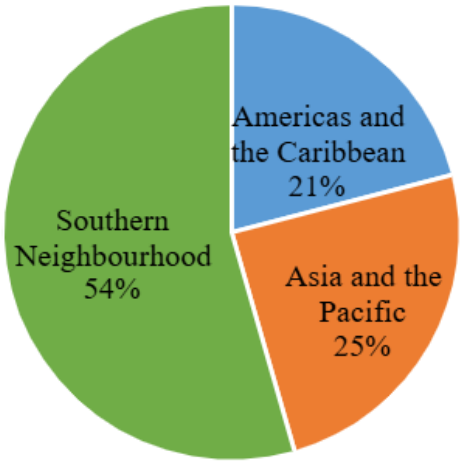
EFSD+ Window 1 sectoral diversification

As of 31 December 2025, out of the EUR 13.8 billion in operations signed by EIB, the Connectivity: Energy, Transport and Digital sector accounted for EUR 6.6 billion (48%). The Sustainable Agriculture, Biodiversity, Forests and Water sector received EUR 4 billion (29%), the Human Development domain received EUR 1 billion (8%), Micro, Small and Medium Enterprises (MSMEs) received EUR 1.3 billion (10%), and the Sustainable Cities sector received EUR 730 million (5%).



EFSD+ Window 2 geographical diversification

As of 31 December 2025, out of the total operations amounting to EUR 812.8 million signed by the EIB under EFSD+ Window 2, EUR 170.2 million (21%) was allocated to the Americas and the Caribbean, EUR 200 million (25%) to Asia and the Pacific, and EUR 442.6 million (54%) to Southern Neighbourhood.

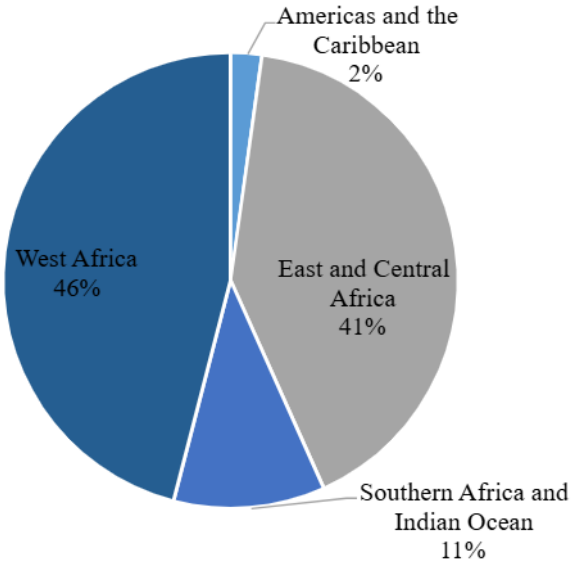


EFSD+ Window 2 sectoral diversification

As of 31 December 2025, the EIB signed operations totalling EUR 812.8 million under EFSD+ Window 2 was allocated to Connectivity, Energy, Transport, and Digital sectors.

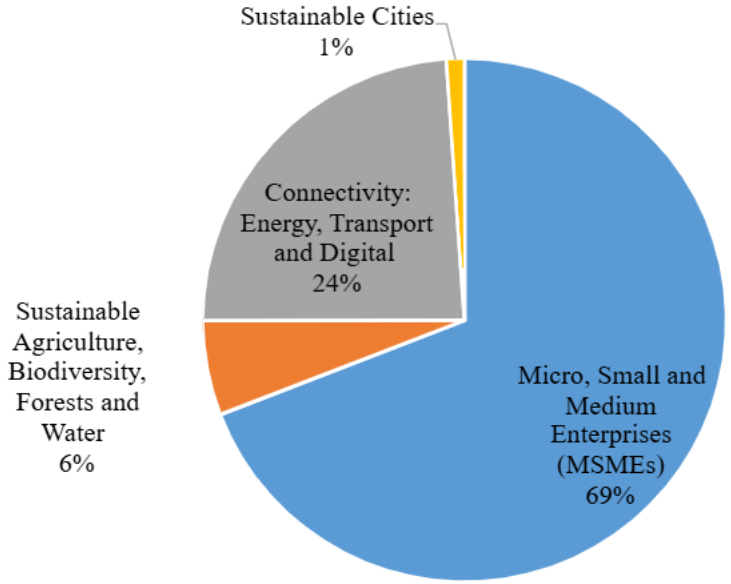
EFSD+ Window 4 geographical diversification

As of 31 December 2025, out of the total operations amounting to EUR 1.8 billion signed by the EIB under EFSD+ Window 4, EUR 39.7 million (2%) was allocated to the Americas and the Caribbean, EUR 737 million (41%) to East and Central Africa, EUR 193.4 million (11%) to Southern Africa and the Indian Ocean, and EUR 825 million (46%) to West Africa.



EFSD+ Window 4 sectoral diversification

As of 31 December 2025, the EIB signed operations totalling EUR 1.8 billion under EFSD+ Window 4. Of this amount, EUR 1.2 billion (69%) was allocated to Micro, Small, and Medium Enterprises (MSMEs), EUR 429 million (24%) to Connectivity, Energy, Transport, and Digital sectors, EUR 105 million (6%) to Sustainable Agriculture, Biodiversity, Forestry, and Water projects, and EUR 20 million (1%) to Sustainable Cities initiatives.



1.5.3 FINANCIAL INFORMATION

Financial information at the level of budgetary guarantee

As of 31 December 2025, 43 EFSD+ guarantee agreement under the Open Architecture, the EIB Investment Windows 1, Window 2 and Window 4 were signed and effective with a maximum guarantee cover limit amounting at EUR 34.3 billion (EUR 25.74 billion under Window 1, EUR 0.81 billion under Window 2, EUR 1 billion under Window 4 and EUR 6.74 billion under the Open Architecture Window) out of which available EUR 34 billion[40].

The operations signed by the counterparts under those agreements totalled EUR 18.43 billion, with the EU risk for those operations capped at EUR 16.5 billion. The EU risk related to the amounts disbursed by the counterparts amounted to EUR 3 billion. Given that the programme is in the ramp up phase, the EU risk at the level of operations signed and disbursed is expected to increase in the coming years.

all figures in EUR

	EU contingent and financial liability	
	31-12-2025	31-12-2024
Available guarantee signed with counterparts	33,964,841,683	30,173,146,319
EU risk for operations signed by counterparts	16,460,680,721.56	11,227,511,969
EU risk for operations signed by counterparts and disbursed	2,948,612,057.57	1,340,539,796

all figures in EUR

	EU guarantee revenues	
	2025	Cumulative until 31-12-2025
EU guarantee revenues	3,455,863	5,440,367

all figures in EUR

	Guarantee calls and recoveries	
	2025	Cumulative until 31-12-2025
Guarantee calls	1,188,208	1,319,444
Recoveries	0	131,237
Net guarantee calls	1,188,208	1,188,208

[40] Maximum guarantee cover limit signed and effective minus all net payments that reduce the guarantee cap minus guarantee released.

all figures in EUR

	Expenses	
	2025	**Cumulative until 31-12-2025**
Fees to counterparts	0	0
Other expenses (recovery costs, funding costs, other)	0	0

Financial information at the level of the guarantee agreements – Open Architecture

all figures in EUR and as at 31/12/2025

	COVAX II	CITIRYZ	FISEA+
Overview			
Effective	No	Yes	Yes
Counterpart	EIB	AFD	AFD
Description	This guarantee with the European Investment Bank (EIB) followed the support provided by the EFSD to COVAX, supplying access to COVID-19 vaccines in Africa and the EU Neighbourhood.	Encouraging local private and public banks to improve their knowledge and take the risk to lend, on longer maturities more adapted to the needs of local governments' investments in Africa.	It provides equity investments in businesses and investment funds operating in Africa in order to support social development goals.
Maximum guarantee signed with counterpart	200,000,000	30,000,000	35,000,000
Operation type	Bullet loan	Line by line guarantee	Portfolio guarantees
Risk-sharing structure	First loss	90% of AFD's first loss exposure (being a 20% tranche) and 53% of AFD's second loss exposure (being the remaining 80% tranche) on a line-by-line basis for each AFD guarantee.	Pari Passu
Cumulative operations signed by counterpart	200,000,000	0	12,106,383
Cumulative operations disbursed by counterpart	200,000,000[41]	0	2,259,370
EU contingent and financial liability			
Available guarantee signed with counterpart	0	30,000,000	35,000,000
EU risk for operations signed by counterpart	0	0	10,895,745
EU risk for operations signed by counterpart and disbursed	0	0	2,033,433
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

[41] Fully repaid at the end 2022.

all figures in EUR and as at 31/12/2025

	Digital Transformation Platform	Financial Inclusion	MSME Platform
Overview			
Effective	Yes	Yes	Yes
Counterpart	EBRD	EBRD	EDFI
Description	This guarantee programme is designed to achieving access to finance for projects and development in the digital economy. It will help in providing high quality and reliable broadband services while supporting the development of wireless networks as well as enabling the transition to digital economies. It tackles also underpinning government policy on economic growth and jobs and the development of digital solutions including the building of information society structures.	This guarantee programme aims to reconcile supply and demand of MSME financing by reducing the financial risk associated with such financing and encouraging intermediaries to direct new lending towards those businesses who need it the most. The targeted groups include SMEs affected by Covid-19 and other crises affecting the solidity of the local financial systems as well as underserved or unserved target groups and sector.	This Guarantee will enable our partner financial institutions to provide debt financing to financial institutions across Africa and the EU Neighbourhood providing financial services to SMEs. The goal of the financing is to provide longer-term financing that is largely unavailable to SMEs in these markets, as well as capacity building to both lending FIs and recipient SMEs.
Maximum guarantee signed with counterpart	35,000,000	115,000,000	80,000,000
Operation type	Portfolio guarantee	Guarantees and debt	Line by line guarantees
Risk-sharing structure	First loss	First loss	Pari passu
Cumulative operations signed by counterpart	61,997,179	107,354,922	98,890,478
Cumulative operations disbursed by counterpart	16,656,084	98,936,191	59,349,662
EU contingent and financial liability			
Available guarantee signed with counterpart	35,000,000	115,000,000	80,000,000
EU risk for operations signed by counterpart	15,236,839	41,122,963	42,168,951
EU risk for operations signed by counterpart and disbursed	3,997,460	35,841,627	23,684,331
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	Africa Connected	Acceleration Human Development (HDX)	African Local Currency Bond Guarantee Programme (ALCBF)
Overview			
Effective	Yes	Yes	Yes
Counterpart	Finnfund	EIB	KFW
Description	Digital infrastructure investments in Sub-Saharan Africa	Strengthening health care systems; improved and equitable access to key health products and technologies and increase the quality of primary healthcare services and manufacturing scale-up.	The purpose of the fund is to provide an investment opportunity into local currency risk without the associated credit risk.
Maximum guarantee signed with counterpart	100,000,000	750,000,000	100,000,000
Operation type	Equity & debt investments, pass on guarantees	Debt investments including venture loans with equity style elements and volume/procurement guarantees	Guarantee to local currency loans and equity to the fund.
Risk-sharing structure	Pari passu (60% EFSD+ cover on average)	Pari-passu and First loss	Second loss
Cumulative operations signed by counterpart	43,049,299	273,000,000	0
Cumulative operations disbursed by counterpart	43,049,299	0	0
EU contingent and financial liability			
Available guarantee signed with counterpart	100,000,000	750,000,000	100,000,000
EU risk for operations signed by counterpart	21,296,770	226,000,000	0
EU risk for operations signed by counterpart and disbursed	21,296,770	0	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	Better Future Programme	EDFI Carbon Sinks	DFCD Dutch Fund for Climate Development (DFCD) Aya – Land Use Facility
Overview			
Effective	Yes	Yes	Yes
Counterpart	IFC	EDFI	FMO
Description	This guarantee programme builds on IFC's experience in mobilising private investment at scale for innovative solutions to climate change, fragility, conflict and crisis response, job creation, and inclusive growth, with a particular focus on Ukraine. The Programme will focus on "Resilient Livelihoods: Conflict and Fragility Pillar", one of the two main pillars of the overall BFP that cuts across six investment priorities of EFSD+. Mobilising private investments in different sectors, with a particular focus on Ukraine	The Carbon Sinks programme supports investors to scale up equity investments in forestry and regenerative agribusiness companies in carbon sink projects across the globe. Carbon sinks absorb carbon dioxide from the atmosphere and are essential in global efforts to curb global warming and mitigate climate change, as agreed upon internationally at CoP15 in Paris.	The DFCD Land Use Facility targets investments in sectors relating to agroforestry, sustainable land use and climate resilient food production in developing countries.
Maximum guarantee signed with counterpart	291,000,000	366,000,000	105,000,000
Operation type	IFIs guarantees and loans	Equity Investments	Portfolio guarantees
Risk-sharing structure	First Loss	Pari passu	Second Loss
Cumulative operations signed by counterpart	63,947,380	104,067,133	100,190,356
Cumulative operations disbursed by counterpart	63,947,380	6,630,000	58,998,951
EU contingent and financial liability			
Available guarantee signed with counterpart	291,000,000	366,000,000	105,000,000
EU risk for operations signed by counterpart	27,407,847	70,117,445	105,000,000
EU risk for operations signed by counterpart and disbursed	27,407,847	4,897,379	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	SDG Fund II	TCX EU Market Creation Facility - Capacity Component Plus	Global Investment Equity Fund Programme
Overview			
Effective	Yes	Yes	Yes
Counterpart	IFU	KFW	DEG
Description	SDG Fund II's equity and quasi-equity investments will meet Green Economy and Inclusive Economy criteria and contribute to four different impact priorities: financial services, green energy and infrastructure, healthcare and, sustainable food systems.	The "EU Market Creation Facility – Capacity Component+" is a facility designed by KfW and TCX in order to increase the capacity of TCX to hedge commercial and investment operations which will contribute to provide enterprises with improved access to local currency finance. It will allow TCX to enable local banks to offer more suitable financing products to micro, small and medium-sized enterprise and to clients in infrastructure, sustainable energy, and national governments to offer bonds in local currency.	GIEF, as a fund-of-funds, will use the raised capital to co-invest with DEG (as parallel investor) in selected private equity (PE) and venture capital (VC) funds in the targeted regions, in accordance with market standard investment principles which in all cases will be developing countries and emerging markets on the OECD DAC list.
Maximum guarantee signed with counterpart	71,682,927	245,750,000	99,695,744
Operation type	Line by line guarantees	Derivatives	Funds
Risk-sharing structure	First Loss	First Loss	First Loss
Cumulative operations signed by counterpart	0	150,000,000	0
Cumulative operations disbursed by counterpart	0	150,000,000	0
EU contingent and financial liability			
Available guarantee signed with counterpart	71,682,927	245,750,000	99,695,744
EU risk for operations signed by counterpart	71,682,927	150,000,000	0
EU risk for operations signed by counterpart and disbursed	0	150,000,000	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	MSME Platform Plus	Resilience Plus	HI BAR
Overview			
Effective	Yes	Yes	Yes
Counterpart	EDFI	EBRD	EBRD
Description	The MSME Platform Plus, an expansion of EDFI MSME Platform, is a guarantee program which represent pivotal initiatives in addressing financial constraints faced by micro, small, and medium-sized enterprises (MSMEs) in Sub-Saharan Africa and the EU Neighbourhood.	This guarantee programme aims to support projects that contribute to the transition to green, low-carbon economies by enabling loans that qualify as green in four targeted economic sectors – namely, green city infrastructure, sustainable logistics chains, energy efficiency and green technology transfers in industrial commercial and buildings operations. Specifically, it supports projects in the following sectors: industrial and commercial activities buildings-related economic sectors, green city infrastructure and services, and sustainable logistics, interconnectivity, and transport infrastructure.	This guarantee programme aims to accelerate investments in the next wave of climate mitigation technologies and business models in the energy sector and energy intensive industries. It seeks to support the continued rollout of more mature power technologies that are still far from critical demonstration levels in EBRD countries due to the regulatory, market and financial barriers, and new climate technologies like green hydrogen, storage and strategic materials. Specifically, it supports projects across the following sectors: renewables rollout, grids transformation and energy storage, sustainable fuels, “hard-to-abate” industrial activities, and critical raw materials.
Maximum guarantee signed with counterpart	255,000,000	60,000,000	168,000,000
Operation type	Line by line guarantees	IFI guarantees and loans	IFI guarantees and loans
Risk-sharing structure	Pari passu	First loss	First loss
Cumulative operations signed by counterpart	147,872,991	202,977,907	145,097,838
Cumulative operations disbursed by counterpart	143,623,819	146,665,239	16,393,315
EU contingent and financial liability			
Available guarantee signed with counterpart	255,000,000	60,000,000	168,000,000
EU risk for operations signed by counterpart	60,395,481	16,716,259	22,835,692
EU risk for operations signed by counterpart and disbursed	58,270,896	9,627,817	16,393,315
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	MSME Access to Green, Growth, and Inclusive Finance - PPG Component	Supporting a Market-Oriented Green Transformation in the Eastern Neighbourhood and WB	Growth4All Programme in Western Balkans and Türkiye
Overview			
Effective	Yes	Yes	Yes
Counterpart	EIB	KfW	EBRD
Description	This guarantee programme will cover local Financial Institutions' portfolios of MSME loans, with an incentive to cover unserved segments e.g., businesses led by women and young entrepreneurs or located outside of main urban centres. The instrument is useful for local banks that have liquidity but want to lower the risk of lending to MSMEs.	This programme aims to support a) renewable energy projects (solar, wind) over 15 MW aimed at replacing existing or planned thermal power plants; b) the rehabilitation of hydropower plants and storage facilities that contribute to maintaining and/or increasing of their capacity; and c) grid infrastructure projects (transmission and distribution) contributing to the integration of renewable energy in the grid system and its digitalization, and d) any other type of renewable energy projects (e.g. renewable hydrogen, geothermal) that KfW proposes and which may be accepted by the Commission	This programme aims to support the supply and demand of MSME financing, by reducing the risk associated with such financing and encouraging financial intermediaries to direct new lending towards those businesses who need it the most. This includes, in particular, MSMEs affected by crises affecting local financial systems, as well as underserved or unserved target groups that have been identified as being particularly excluded from such financing in Türkiye and the Western Balkans region.
Maximum guarantee signed with counterpart	70,000,000	260,000,000	77,500,000
Operation type	IFI guarantee	IFI loans	IFI loans and guarantees
Risk-sharing structure	First loss	Pari-passu	First loss
Cumulative operations signed by counterpart	0	40,000,000	47,000,000
Cumulative operations disbursed by counterpart	0	0	32,500,000
EU contingent and financial liability			
Available guarantee signed with counterpart	70,000,000	260,000,000	77,500,000
EU risk for operations signed by counterpart	0	24,000,000	14,453,423
EU risk for operations signed by counterpart and disbursed	0	0	3,419,831
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	Financing and Accelerating the Sustainable Transition of Cities ("FAST Cities")	Green Transition	Risk Sharing for ESG Projects Programme
Overview			
Effective	Yes	Yes	Yes
Counterpart	AFD	KfW	EBRD
Description	This programme aims to address the difficulties of urban authorities (and, in particular, 'intermediate' cities) in accessing finance for infrastructure needs (including the development and rehabilitation of roads, drainage, economic and social infrastructure, schools, health centres, public space, transports, technical landfills, urban renewal, housing, water networks).	This guarantee programme consists of two windows (1) Urban Green Transition Window (KfW) and (2) Renewable Hydrogen Window (KfW and DEG). Window 1 has been established to support a change in the economies of major cities and urban areas in European Neighbourhood South Countries (as defined below) towards being economically and ecologically sustainable, socially acceptable, and climate resilient economies. Window 2 has been established to support the development of the green hydrogen market in the European Neighbourhood South Countries by providing financing and technical assistance to public and private enterprises on a commercial sub-sovereign basis.	This guarantee programme aims to build sustainable and inclusive private sector economies by facilitating access to finance for SMEs and midcaps and promoting the adoption of sustainable business practices in line with ESG standards. The Programme will also contribute to enhancing the integration of small businesses into international value chains. Such an approach will strengthen these companies' resilience and agility to adapt to new business realities, while creating long-term sustainable growth and employment prospects in local markets.
Maximum guarantee signed with counterpart	176,000,000	300,000,000	76,750,000
Operation type	IFI loans and guarantees	IFI loans and guarantees	IFI loans and guarantees
Risk-sharing structure	Pari passu	Pari passu	First loss
Cumulative operations signed by counterpart	23,099,102	0	0
Cumulative operations disbursed by counterpart	5,141,086	0	0
EU contingent and financial liability			
Available guarantee signed with counterpart	176,000,000	300,000,000	76,750,000
EU risk for operations signed by counterpart	17,311,511	0	0
EU risk for operations signed by counterpart and disbursed	3,892,060	0	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	Accelerate the Energy Transition - AccelerET	Africa GreenCo	Digital Transformation in Sub-Saharan Africa
Overview			
Effective	Yes	Yes	Yes
Counterpart	AFD	IFDK	BGK
Description	The AccelerET Programme is intended to provide support to public utilities sponsors in the energy sector, as well as independent power producers in: (i) the generation of renewable energy, (ii) the transmission and distribution of renewable energy, (iii) the storage of renewable energy, (iv) increasing energy efficiency, and (v) create frameworks which 'crowd-in' further private sector investments in support of the energy transition.	The programme serves for IFDK to issue a guarantee to Africa GreenCo Group Limited (AGG) to provide AGG with additional liquidity buffer capacity. AGG is a company facilitating cross-border power transactions by purchasing power from renewable Independent Power Producers (IPPs) and selling electricity to utilities, commercial and industrial consumers, and electricity markets in the Southern African Power Pool (SAPP).	The programme tackles the regional investment gap in smart and sustainable digital connectivity by fostering the development of value-driven projects on the African continent. The projects will allow for the deployment of high-quality technological solutions facilitating local public goods and strengthening regional markets with a human-centric approach in different sectors ranging from e-government, cybersecurity to e-commerce and more.
Maximum guarantee signed with counterpart	164,500,000	50,000,000	115,000,000
Operation type	line-by-line guarantee of debt	Liquidity guarantee	line-by-line guarantee of loans
Risk-sharing structure	Pari passu	Second Loss	Pari-passu
Cumulative operations signed by counterpart	23,099,102	0	0
Cumulative operations disbursed by counterpart	5,141,086	0	0
EU contingent and financial liability			
Available guarantee signed with counterpart	164,500,000	50,000,000	115,000,000
EU risk for operations signed by counterpart	0	0	0
EU risk for operations signed by counterpart and disbursed	0	0	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	Liquidity Accelerator Fund	Nasira+: A New Chance Guaranteed for Underserved Entrepreneurs and Green Financing	TERRA – Transforming and Empowering Resilient and Responsible Agribusiness
Overview			
Effective	Yes	Yes	Yes
Counterpart	Proparco	FMO	CDP
Description	The programme aims at fostering the emergence of a responsible secondary market for private equity stakes in investment funds in emerging markets. The Programme seeks to create (i) liquidity for investors in private equity funds thereby sending a strong signal to encourage commercial investors to invest at primary stage knowing that a secondary market is developing and (ii) a possibility for commercial investors to be exposed to emerging market private equity by investing in the Liquidity Accelerator Fund ("LAF"), without taking the primary risk, and therefore targeting higher financial returns through a shorter duration of investment.	The initiative focuses on bolstering Micro-, Small, and Medium-sized Enterprises (MSMEs) through several key strategies addressing financial bottlenecks, promoting private sector investment, and creating jobs and economic opportunities. It emphasizes fostering entrepreneurship and empowering marginalized groups, including women, young people, migrants, and rural populations, particularly in agriculture.	TERRA serves to accelerate the transition toward sustainable agrifood systems through integrated capacity building and enhanced access to innovative finance. Developing sustainable agrifood systems is a critical step to achieve the objectives of the 2030 Agenda and the Paris Agreement. Agrifood systems represent a major source for employment, serve as a contributor to public health through improved nutrition and are an entry-point for the protection of biodiversity and ecosystems.
Maximum guarantee signed with counterpart	19,200,000	264,500,000	109,500,000
Operation type	Line-by-line guarantee of equities	Portfolio guarantees	Portfolio guarantees
Risk-sharing structure	First loss	Second Loss	Pari-passu
Cumulative operations signed by counterpart	16,943,390	0	0
Cumulative operations disbursed by counterpart	16,943,390	0	0
EU contingent and financial liability			
Available guarantee signed with counterpart	19,200,000	264,500,000	109,500,000
EU risk for operations signed by counterpart	19,161,843*	0	0
EU risk for operations signed by counterpart and disbursed	0	0	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

*Full inclusion done under EFSD+, signatures by IP in the process.

all figures in EUR and as at 31/12/2025

	Renewable Infrastructure & Sustainable Energy Programme (RISE)	Choose Africa VC	Sustainable Off-Grid Lighting Programme
Overview			
Effective	No	Yes	Yes
Counterpart	CDP	Proparco	COFIDES
Description	The RISE Programme by CDP aims to mobilize private sector investments in key sectors such as renewable energy, transport and digital connectivity in Sub-Saharan Africa. It provides debt financing to support low-emission energy supply projects, sustainable transport networks, digitalisation projects, sustainable supply chains and human development projects.	The programme will finance early stage innovative (M)SMES across Africa (Sub Saharan Africa and North African countries) directly and through Venture Capital (VC) fund investments. The programme addresses a lack of finance for early-stage businesses in Africa. Choose Africa VC de-risks investments at an early-stage, after which these become more attractive for private capital.	"Access to affordable and reliable energy remains a major barrier to sustainable development in many partner countries. The programme helps bridge this gap by mobilising private investment into off-grid and small-scale renewable energy projects across Sub-Saharan Africa and Latin America and the Caribbean.
Maximum guarantee signed with counterpart	131,950,000	44,100,000	75,666,667
Operation type	Portfolio guarantees	Equity Investments	Loans and guarantees
Risk-sharing structure	Pari-passu	First Loss	Second Loss
Cumulative operations signed by counterpart	0	9,239,581	0
Cumulative operations disbursed by counterpart	0	2,716,113	0
EU contingent and financial liability			
Available guarantee signed with counterpart	0	44,100,000	75,666,667
EU risk for operations signed by counterpart	0	3,865,678	0
EU risk for operations signed by counterpart and disbursed	0	1,152,912	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	Impact+ Risk Sharing Mechanism	OCFF - Ocean and Climate Finance Facility	Liquidity Platform for Impact
Overview			
Effective	Yes	Yes	Yes
Counterpart	AFD	Climate Fund Managers B.V.	EDFI MC
Description	The programme aims to bolster Micro-, Small, and Medium-sized Enterprises (MSMEs) in Sub-Saharan Africa, Asia Pacific, and the Southern Neighbourhood. Its primary goals are to stimulate private sector investment, create jobs and economic opportunities, and foster entrepreneurship, with a strong emphasis on gender equality and empowering marginalized groups.	The Programme aims to use innovative financial mechanisms, sustainability and impact linked loans or bonds and equity investments to mobilize private sector capital for climate, ocean and nature-based solutions in emerging markets. The Programme will be deployed in Sub-Saharan Africa. The EFSD+ guarantee will be used for private sector counterparties (i.e. professional investors such as banks, insurers, fund managers and pension funds) who want to invest into climate, ocean and nature-based solutions in emerging markets (e.g. natural assets and species protection, conservation, local community livelihoods, marine and terrestrial protected areas).	EDFI MC established the Liquidity Platform for Impact (LPI) as a programme in support of two Sponsors, 2nd Aries and Octobre Liquidity Guarantee Facility (OLGF), to address a critical market failure in Europe's partner countries by fostering the emergence of a secondary market for private equity stakes in investment and debt funds. This will create the necessary liquidity for current investors in private equity funds. The availability of exit opportunities will transform developing and emerging equity markets into a more attractive investment destination for European commercial investors.
Maximum guarantee signed with counterpart	178,000,000	205,000,000	216,000,000
Operation type	Portfolio and loan-by-loan guarantees	line-by-line guarantee of equities and debt	line-by-line guarantee of equities and debt
Risk-sharing structure	First Loss	Various depending on instruments	Various depending on instruments
Cumulative operations signed by counterpart	0	3,583,896	0*
Cumulative operations disbursed by counterpart	0	3,583,896	0
EU contingent and financial liability			
Available guarantee signed with counterpart	178,000,000	205,000,000	216,000,000
EU risk for operations signed by counterpart	0	80,000,000	108,000,000
EU risk for operations signed by counterpart and disbursed	0	3,551,802	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

*Full inclusion done under EFSD+, signatures by IP in the process.

all figures in EUR and as at 31/12/2025

	EDFI Renewable Energy Transition	EDFI Transforming Global Value Chains	EU Market Creation Facility (EUMCF) – Pricing Component Plus (PC+)
Overview			
Effective	Yes	Yes	Yes
Counterpart	EDFI MC	EDFI MC	EDFI MC
Description	The programme is designed to focus on renewable energy by de-risk EDFIs' equity and debt financing. This will encourage additional investments from both public and private co-investors. The focus of the program is on the following renewable energy sectors: renewable energy generation via on-grid solutions, independent power producers (IPP) projects; off-grid and mini-grid solutions (e.g. decentralised /distributed energy); green hydrogen value chains (production, distribution, storage) and other innovative technologies; energy transition (incl. e-mobility, RE transport, sustainable ICT sector, sustainable waste and supporting decarbonisation of heavy industries).	The Programme aims to support local, regional, and value chain companies and services in developing countries that operate in challenging business environments with limited access to long-term financing, offer significant development impact potential and are focusing on climate transition, digital transition, and increased sustainability.	The purpose of the programme is to incentivise Eligible Swap Counterparties to provide financing indexed to local currency to eligible borrowers, to protect them from currency risk. It will allow TCX to provide currency risk management instruments at concessional prices to the Eligible Swap Counterparties and will further facilitate access to affordable local currency financing by providing for the benefit of the Eligible Swap Counterparties hedging solutions in emerging and frontier markets.
Maximum guarantee signed with counterpart	332,315,789	194,000,000	150,000,000
Operation type	Portfolio and loan-by-loan guarantees	Line-by-line guarantee of equities and debt	Line-by-line guarantee of equities and debt
Risk-sharing structure	Pari-passu	Pari Passu	First loss
Cumulative operations signed by counterpart	42,266,885	26,229,620	0*
Cumulative operations disbursed by counterpart	10,093,793	1,400,000	0
EU contingent and financial liability			
Available guarantee signed with counterpart	332,315,789	194,000,000	150,000,000
EU risk for operations signed by counterpart	25,360,131	11,991,848	150,000,000
EU risk for operations signed by counterpart and disbursed	5,224,080	1,050,000	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

* Full inclusion done under EFSD+, signatures by IP in the process.

all figures in EUR and as at 31/12/2025

	Green Energy for Africa and Asia	Triple Bottom Line Inclusive Finance in Latin America Programme – Phase II and Global Social Impact Fund Programme	EIB Window 4
Overview			
Effective	Yes	Yes	Yes
Counterpart	KfW/DEG	Cofides	EIB
Description	The Green Energy for Africa & Asia programme (the "Programme") will contribute to a better and more reliable, environmentally friendly and sustainable energy supply in Africa and Asia Pacific, supporting investments in renewable energy generation, transmission, distribution and storage within the framework of the Green Deal and the Global Gateway. The programme will focus on (i) renewable energy investments, such as in wind, solar, hydro, biomass, geothermal, battery storage systems, (ii) green hydrogen and (iii) critical raw materials value chains.	The TBLIF programme intents to bring together the tools, actors and financing necessary to improve access to finance for low-income an underserved populations whilst reducing climate risk and vulnerability in selected countries in the Americas. It will focus on Micro, SMEs and will support the poorer segments of the population or medium and smallholder farmers. The GSIF Programme intents to channel private capital to generate inclusive growth and improve the livelihoods of the poorest people on the planet. It will support SMEs and finance high-impact projects that promote the social mobility of the economically vulnerable.	The reflows from the ACP Investment Facility from operations under the 9th, 10th, and 11th European Development Funds will provision EU guarantees to private sector lending in ACP countries. Promoting SDG private sector driven economic growth and development. Expected to include corporate lending mostly, then intermediate lending, project finance, direct lending to MidCaps, large enterprises, project finance. EUR 500 million are provisioned 100% (ACP reflows) and EUR 250 m provisioned 50% (EFSD+ OA).
Maximum guarantee signed with counterpart	361,000,000	62,000,000	1,000,000,000
Operation type	line-by-line guarantee of debt	line-by-line guarantee of debt for TIF II, portfolio guarantee of debt for GSIF	Portfolio debt guarantee
Risk-sharing structure	Pari Passu	Pari Passu for TIF II, First loss for GSIF	First loss
Cumulative operations signed by counterpart	0	0	1,795,492,082
Cumulative operations disbursed by counterpart	0	0	544,049,740
EU contingent and financial liability			
Available guarantee signed with counterpart	361,000,000	62,000,000	1,000,000,000
EU risk for operations signed by counterpart	0	0	1,000,000,000
EU risk for operations signed by counterpart and disbursed	0	0	516,847,253
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

Financial information at the level of the guarantee agreements - IW 1 & 2

all figures in EUR and as at 31/12/2025

	EFSD + Investment Window 1	EFSD + Investment Window 2
Overview		
Effective	Yes	Yes
Counterpart	EIB	
Description	The EU budgetary guarantee has the objective to enhance the risk-bearing capacity of the EIB by limiting the EIB's risk exposure. It therefore enables the Bank to undertake investment operations in riskier environments outside the EU to pursue policy objectives established by the EU legislator, i.e. the European Parliament and Council.	The EU budgetary guarantee enables the EIB to engage with borrowers who are commercial sub-sovereign entities not relying on explicit guarantees by the State but whose investments require financing on concessional terms because they provide public goods or achieve other positive externalities.
Maximum guarantee signed with counterpart	25,745,127,660	812,872,340
Operation type	Debt (sovereign and non-commercial sub-sovereign loans).	Debt (commercial sub-sovereign loans)
Risk-sharing structure	First Loss	First Loss
Cumulative operations signed by counterpart	13,816,306,634	812,872,340
Cumulative operations disbursed by counterpart	1,986,135,369	75,000,000
EU contingent and financial liability		
Available guarantee signed with counterpart	25,743,808,216	812,872,340
EU risk for operations signed by counterpart	13,312,787,030	812,872,340
EU risk for operations signed by counterpart and disbursed	1,985,023,245	75,000,000
Cumulative guarantee calls and recoveries		
Cumulative guarantee calls	1,319,444	0
Cumulative recoveries	131,237	0
Cumulative net guarantee calls	1,188,208	0
Cumulative expenses		
Fees to counterpart	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0

1.6 Ukraine Investment Framework

1.6.1 Description

Identification/Reference to the basic act	
Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility	
Maximum amount of budgetary guarantee (in EUR)	**of which available guarantee signed at 31/12/2025**
7,800,000,000	3,540,000,000
of which ceiling authorised in the legal basis (in EUR)	**Counterparts**
7,800,000,000	European Investment Bank (EIB) European Bank for Reconstruction and Development (EBRD) International Finance Cooperation (IFC)
of which from external contributions (in EUR)	

Budget Lines				
16 06 02 01				
	Cumulative 2025	**2026**	**2027**	**Total**
Budgetary commitment appropriations (in EUR)	**1,911,000,000**	**1,638,096,551**	**1,911,000,000**	**5,460,000,000**
of which from voted budget	1,911,000,000	1,638,000,000	1,911,000,000	5,460,000,000
of which from internal assigned revenues	0	96,551	0	96,551
of which from external assigned revenues	0	0	0	0
Budgetary payment appropriations (in EUR)[42]	**600,000,000**	**800,096,551**	**4,060,000,000**	**5,460,096,551**
of which from voted budget	600,000,000	800,000,000	4,060,000,000	5,460,000,000
of which from internal assigned revenues	0	96,551	0	96,551
of which from external assigned revenues	0	0	0	0

[42] Remaining balance will be paid during the next MFF.

General description

Since Russia launched its full-scale invasion on 24 February 2022, the EU and its Members States have been supporting Ukraine in the face of the ongoing war and its path towards EU membership.

The scale of recovery and reconstruction in Ukraine continues to require massive investments. According to the 5th Rapid Damage Needs Assessment ("RDNA5") released in February 2026, direct damages are currently estimated at more than USD 195 billion, with reconstruction needs at USD 588 billion. While public investments in infrastructure repairs and development will be key, the capacity to attract private investments will be the driver of Ukraine's long-term prosperity.

On 20 June 2023, the Commission proposed a new Ukraine Facility to support Ukraine's recovery, reconstruction, and modernisation as well as foster Ukraine's EU accession path, providing predictable financial support for Ukraine for 2024 to 2027, equipped with EUR 50 billion in grants, guarantees, loans and technical assistance. This was agreed as part of the Ukraine Facility (Regulation (EU) 2024/792) adopted by European Parliament and Council on 29 February 2024; the Ukraine Investment Framework ("UIF") was formed as Pillar II of the Facility with the objective to attract public and private investments for the recovery and reconstruction of Ukraine and to support its path towards EU accession.

This entails supports to public investments, private sector direct operations and intermediated equity operations. With support from the UIF, EU-based private companies should play a major role in reconstruction investments, especially in critical sectors such as energy, as well as benefit from economic growth and heightened demand in post-war Ukraine.

Implementation cycle

The UIF is equipped to deploy financial products totalling EUR 9.5 billion, with EUR 7.8 billion in guarantees ('Ukraine Guarantee') and EUR 1.7 billion in blended finance. The goal is to mobilise EUR 40 billion of investments for the reconstruction, modernisation and long-term growth of Ukraine, supporting the objectives and the implementation of the Ukraine Plan, consistent with EU policy priorities.

Given the comparatively short period of the UIF (contracting to be concluded by 2027), the Commission proceeded immediately with topping-up of several already existing guarantee programmes. In July 2024, this resulted in the signature of EUR 990 million in UIF guarantees (with additional blending grants) with EIB, EBRD, IFC, BGK, and KfW.

At least 25% of the EUR 7.8 billion Ukraine Guarantee capacity (or EUR 1.95 billion) are mandated to be allocated to EIB for public operations (guaranteed loans to the State, to state-owned enterprises and to municipalities). Given that EU will be covering max. 94% of losses at portfolio level, the total volume of authorised EIB lending under this dedicated guarantee is EUR 2.07 billion. The respective guarantee agreement was signed with EIB in March 2025.

The remaining funds are being allocated via calls for proposals. In September 2024 the first open call for proposals for public investments, private sector direct operations and intermediated equity operations was launched with several intermediate submission deadlines to submit Proposed Investment Programmes (PIP).

An additional call for proposals for intermediate lending operations via banks was published in February 2025 to attract further proposals targeting especially MSMEs and vulnerable groups.

The high interest showcased by financial institutions at the first intermediate deadline in October 2024 has persisted throughout 2025. The four intermediate submission deadlines yielded a total of 20 PIPs that included a guarantee component by 11 different financial institutions. These subsequently Steering Board approved programmes amount to EUR 2.79 billion of the Ukraine guarantee capacity. Together with the EIB window allocation, in 2025, a total of EUR 4.7 billion was allocated, thus the Commission proceeded with the contracting of the relevant guarantee agreements.

These calls covered the:

- **Public sector:** all operations covering public investments, involving sovereign and non-commercial sub-sovereign operations. These operations should abide to the public investment policy of Ukraine;
- **Private sector direct:** operations where EFIs are in direct agreements with private and commercial sub-sovereign entities as end beneficiaries;
- **Quasi equity and equity** via intermediation (funds) for private projects.
- **Intermediated operations** aiming at providing access to finance to SMEs through Ukrainian Banks.

The remaining EUR 2.15 billion of the Ukraine Guarantee capacity is being allocated throughout 2026, with contracting to be concluded by end of 2027 as mandated by the Ukraine Facility Regulation. Hence, with most funds allocated and approved by the Steering Board, and contracting in full swing, the deployment of the Ukraine Guarantee is on track.

Implementation arrangements

The UIF is implemented in indirect management with pillar-assessed entities as established under the Ukraine Facility Regulation.

- International and European multilateral financial institutions, including the European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), Council of Europe Development Bank (CEB), EDFI Management Company (EDFI MC), Nordic Environment Finance Corporation (NEFCO);

- Bilateral financial institutions such as Member States' development banks and export credit agencies.

PIPs are assessed and approved in a multi-stage process, based on both the information provided by the eligible counterparts in their application form and the recommendations of the UIF Steering Board. The PIPs are selected by the Commission’s services based on the operational proposals by financial institutions, taking into account the relevance and contribution to Ukraine Facility objectives and the implementation of the Ukraine Plan, the UIF strategic priorities as reflected in the UIF Strategic Orientations, adherence to the eligibility criteria stipulated in the calls for proposals, additionality of the project/programme in question, high level of maturity and the capacity to deploy rapidly.

After first assessment with Commission services, with inputs by the Government of Ukraine, PIPs are discussed in the Technical Assessment Meetings (TAM), chaired by the Commission and composed of representatives of the Commission, the EU Delegation to Ukraine, and eligible counterparts, with representatives of the Ukrainian authorities invited when relevant. TAM meetings are held on a regular basis depending on the needs, and in any case before each meeting of the Steering Board to prepare its deliberations on proposals. Proposals that have been evaluated and deemed suitable by the TAM can be submitted to the UIF Steering Board to receive the opinion of its members. The Steering Board is chaired by the Commission, with the EU Member States acting as voting members. Ukrainian authorities, the European Parliament and the Verkhovna Rada, have observer status. Additional observers can be invited in agreement with the members of the Steering Board. So far, this status has been granted to Norway, following a grant contribution to the UIF. The Steering Board ought to meet at least twice a year, but based on operational needs, it usually convenes three times a year (as has it happened in 2025 and is planned for 2026).

Upon the adoption of a Commission Decision authorising the signature of the approved PIPs, the Commission proceeds to negotiate a guarantee agreement with each eligible counterpart. Any blending components are contracted by the EU Delegation in Kyiv.

During the implementation of the guarantee agreements, close operational monitoring is ensured by the Commission through multiple reporting obligations as well as the quarterly Portfolio and Pipeline Review meetings. During the latter, implementing partners, the Government of Ukraine and the Commission jointly reflect on the status of the implementation and the pipeline of projects, in case to provide guidance and adjustments for the programmes where needed.

Duration

Regulation (EU) 2024/792 establishing the Ukraine Facility, which includes the UIF, for a period of four years, from 2024 to 2027. As per Article 31(4) of the Regulation (EU) 2024/792, the Commission shall conclude with eligible counterparts Ukraine Guarantee agreements until 31 December 2027. The Ukraine Guarantee may be granted gradually in accordance with the absorption capacity of the entrusted entities.

Eligible counterparts shall sign contracts with financial intermediaries or final recipients within three years after the conclusion of the relevant Ukraine Guarantee agreement, with possible extensions when an additional amount of guarantee is granted, and the Ukraine Guarantee agreement is amended.

Added value

The key objective of operations to be covered by the Ukraine Guarantee is to leverage private sources of finance, including own risk capacity from the entrusted entities as well as reduce risks for entrusted entities and/or other investors in order to increase investment capacity in Ukraine and crowd in private sector investments. The multiplier effect of the UIF funding over the period 2024-2027 was initially expected to be on average at least 4 times the amount of the UIF contributions. As the war is lasting for longer than anticipated in 2024, the UIF thus shifted to supporting a greater share of low-multiplier investments in repairing public sector infrastructure. The actual multiplier achieved by the UIF will still likely be between 3 and 4.

Leveraging scarce public resources to supporting the modernisation, recovery and reconstruction of Ukraine through the Ukraine Guarantee offers high additionalities, addresses pre-existing market failures and those induced by the Russian aggression against Ukraine, in turn steering an EU candidate country and its economy towards progressive alignment with EU policies and standards.

The UIF focuses on strategic investment priorities identified in the Ukraine Plan and supports its objectives and implementation. Specifically, this includes access to finance/financial markets, human capital and social sectors, energy, transport, agri-food, critical raw materials, digital transformation, green transition and environmental protection, as well as specific strategic investments and industries, including dual-use.

Regulation (EU) 2024/792 further stipulates that 15% of the guarantees provided by the Ukraine Guarantee should be made available to micro, small and medium-sized enterprises (SMEs), as well as that at least 20% of the UIF and of investments under the Ukraine Plan should contribute to climate change mitigation and adaptation, environmental protection, including biodiversity conservation, and to the green transition, or to addressing the challenges resulting therefrom.

The UIF is guided by the principles of 'do no harm' and the climate mainstreaming approach underpinning the European Green Deal as well as the leave-no-one-behind principle. It helps addressing social challenges stemming from the war, including for specific groups such as war veterans, internally displaced people, single parents, children and youth, persons with disabilities, older people, minorities and other persons in vulnerable situations, including women. It will in particular facilitate the financing of businesses owned by vulnerable persons or supporting their integration into employment.

Application of Article 158.2 FR

Implementing partners are contractually obliged to comply with applicable Union law and agreed international and Union standards and, therefore, not support actions that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion. Implementing partners may not enter into agreements with entities established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions or that are identified as high-risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information.

In addition, when concluding agreements with financial intermediaries, eligible counterparts implementing the Ukraine Guarantees must transpose these requirements into the relevant agreements. The financial intermediaries are also obliged to report on the observance of these requirements. In the reporting period, financial institutions did not report any issues.

In line with the European Commission rules and procedures, the Commission may undertake additional monitoring through its own staff.

In the reporting period, financial institutions did not report any issues.

Support combined with other Union actions

The UIF is fitted with EUR 1.51 billion in blending capacity including financial instruments, investment grants and technical assistance to complement the Ukraine Guarantee and provide concessional finance for investment projects. Further assigned revenue, mainly stemming from a Norwegian grant contribution, has brought the available blending capacity to more than EUR 1.7 billion.

Alongside the 8 guarantee agreements that have been signed by the end of the reporting period, an additional 16 blending programmes with EUR 634 million in investment grants as well as in technical assistance has been contracted by the EU Delegation in Kyiv.

The investment grants are employed in portfolio approach to support the implementation of the guarantee components.

UIF funded technical assistance is also employed towards creating a Framework for Project Preparation (FPP), agreed to be established by the Government of Ukraine and the Ukraine Donor Platform. The FPP complements Ukraine's new Public Investment Management (PIM) system by providing capacity to prepare priority public investment projects in the Single Project Pipeline for implementation, ensuring they are shovel-ready and aligned with EU accession requirements. The UIF contributes to three related initiatives:

The UIF works hands in hand with Pillar I of the Ukraine Facility (Pillar I: Ukraine Plan, providing EUR 33 billion in loans for the delivery of reforms and investments as well as to maintain the macro-financial stability). The UIF focuses on strategic investment priorities identified in the Ukraine Plan, the strategic orientations of the UIF and supports its objectives and implementation.

Support under the Ukraine Facility, including the Ukraine is replacing the bilateral support provided under the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) established under Regulation (EU) 2021/947. Ukraine can continue nevertheless to benefit from regional, thematic, rapid response, and other forms of support under NDICI-Global Europe. It will also continue benefitting from humanitarian support under the Humanitarian Aid instrument as well as other spending programmes under Heading 6.

1.6.2 OPERATIONAL PERFORMANCE

Until 31 December 2025, 42 operations (loan agreements and portfolio risk-sharing instruments for banks) have been included under the 7 UIF guarantee agreements, allocating EUR 781 million of the Ukraine Guarantee. This represents a steep rise from the 13 inclusion notices received by the end of 2024. The EIB-dedicated Guarantee Agreement accounts for another EUR 1.95 billion. EIB has used part of this guarantee cover for certain tranches of previously signed loan operations, plus several new operations, reaching a total of EUR 1.92 billion of loans signed at end-2025. In total, UIF guarantee cover signed with counterparts at end-2025 thus amounts to EUR 2.7 billion or 34% of the total guarantee capacity, of which EUR 1.6 billion have been disbursed.

These EU contributions resulted in signatures on the side of the counterparts of a total of EUR 3.6 billion (total amount of transaction indicated by the counterpart at the inclusion), of which EUR 1.7 billion have been disbursed. The expected total mobilisation amounts to nearly EUR

6 billion against the EUR 2.7 billion of UIF guarantee cover provided, this results in a multiplier of ca. 2.21. This comparatively lower number represents an early snapshot and can be explained by several factors:

- **Horizontal:** In the initial phase of the 2024-2027 implementation period, the priority is to enhance policy steer and de-risk operations rather than focusing on multiplier effects, due to the instability and constraints faced by many investors in Ukraine (including a number of eligible counterparts). In addition, the previous reporting period covered only the very beginning of the UIF.

- **Focus on public operations:** public operations have shown to yield much lower multiplier, albeit providing much needed foundations for economic development through developing physical and social infrastructures. The signed operations so far are mainly targeting the public sector (especially the large EIB-dedicated window), but the guarantees currently under negotiation will tip the balance back into a rough equilibrium (50:50).

- **Ramp-up periods:** As many new UIF guarantee agreements have only been recently signed in 2025, ramp-up is still ongoing. Given that implementing partners are mandated to be deploy a certain threshold within usually 12 month, and full deployment within 24 months. Numbers are thus expected to rise sharply throughout 2026 and 2027.

This is demonstrated by the operations signed in 2024, which some of them are now reaching full deployment of the allocated guarantee capacity in record time. Examples include EBRD's Hi-Bar programme, reaching 87% deployment through operations to back up of financing of two private windfarms, a Battery Energy Storage System (BESS), and a biofuel project. Hi-Bar also received a top-up in August 2025, which was immediately deployed to enable emergency gas purchases for Naftogaz ahead of the winter season. Under the Financial Inclusion Recovery Programme in Ukraine, EBRD has reported 78% of the allocated UIF guarantee capacity deployed for 2025, further enabling 12 Ukrainian banks to extend lending to MSMEs.

Several examples from covered guarantee operations signed in 2025 spanning across various sectors showcase the concrete impact of UIF programmes:

- **Energy:** Benefiting from a 27% UIF net first loss cover (EUR 6.02 million) under the Hi-Bar programme, EBRD extended a EUR 22.3 million loan to private Ukrainian energy company Power One for the financing of new power generation capacity and battery energy storage systems (BESS). The loan will enable Power One to construct and operate advanced gas-piston power plants with a total capacity of 36.8 megawatts (MW) as well as BESS with a total capacity of 31.5 MW at multiple sites in western Ukraine. Integrating BESS will significantly enhance energy diversification and allow for flexibility in the energy supply chain. Incorporating both technologies will help stabilise Ukraine's grid during peak demand periods, reducing the frequency and duration of power outages and ensuring uninterrupted electricity supply.

- **Agri-food:** Astarta, a leading Ukrainian agribusiness company, is developing the country's first soy protein concentrate (SPC) plant with IFC support of USD 40 million, supported by an EUR 11 million UIF guarantees and blended finance support

from the Government of the Netherlands. This will be Ukraine's first industrial-scale SPC facility, using advanced processing technology to convert soybean meal into high-protein concentrate. The project will enhance value-added agricultural processing and expanding agrifood exports to EU, generating an estimated USD 680 million in annual export earnings, contributing about USD 117 million to the economy, and creating around 3,000 direct and indirect jobs.

- **Housing:** Under the Municipal, Infrastructure and Industrial Resilience Guarantee Programme, the EBRD, supported by a net UIF first-loss cover of 24.8% (equivalent to EUR 1.76 million), extended a EUR 7.1 million loan to Hansen. This loan is part of a larger EUR 100 million loan facility to support the development of a scalable affordable housing platform in Ukraine. The financing will help deliver safe and sustainable housing for internally displaced persons (IDPs) and other vulnerable groups, addressing one of the country's most pressing social needs. This program will help demonstrate a scalable, private-sector-led approach to Ukraine's housing recovery. Subsequent phases are expected to deliver 1,800 affordable homes across the Kyiv region by 2029.

At the same time, the IFC Better Futures Programme, as well as the EBRD Resilience Programmes have shown low utilisation of their overall guarantee allocations. Here, the Commission has used the Portfolio and Pipeline meetings to provide further steering on the pipeline. In the follow-up, IFC and EBRD have provided updated project pipelines, with reasonable assurance that the available guarantee will be fully deployed throughout 2026.

The **targets for SMEs and the green** laid down in the Ukraine Facility Regulation, have been partially met already: For the SME target (15% or EUR 1.2 billion of the UIF), the operational programmes so far have already achieved a contribution of EUR 240 million. Further contributions are in the pipeline, that with further prioritisation will ensure that this target is met. With ca. EUR 1.3 billion (of which EUR 1.2 billion in guarantees) of signed operations contributing to the green target (20% or EUR 2.95 billion by UIF and Pillar I combined), the UIF is exceeding the green target even on the level of Ukraine Facility as well as demonstrating a strong additionality for this particular field.

Overall, in the second year of implementation confirms the success of the Ukraine Guarantee. This is further reinforced by the data that has become available beyond the end of the reporting period (Q1 2026). The following table summarizes the key operational figures presented above:

Key Figures (as at 31/12/2025)

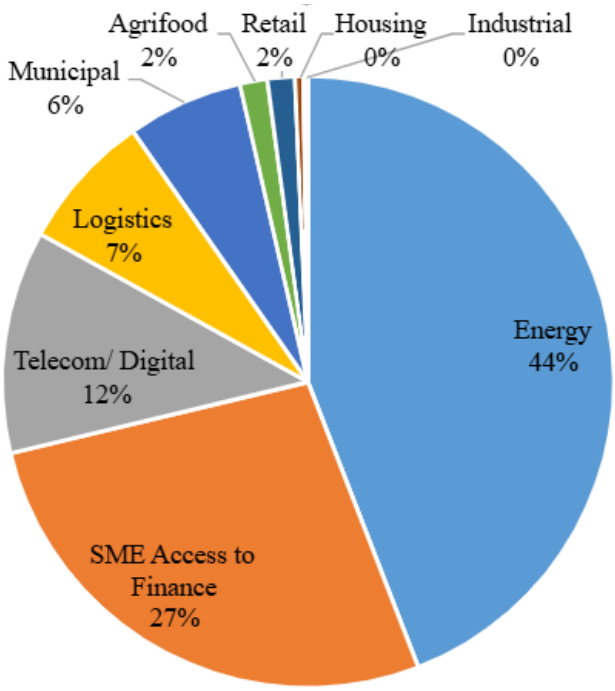
Total amount of operations signed by counterparts (in EUR)	3,602,702,564
Total amount of operations disbursed (in EUR)	1,672,715,921
Amount transferred to final recipients (in EUR)	N/A
Number of final recipients	42
Investments made by final recipients	5,957,111,489
Private sector resources mobilised (in EUR)	N/A
Leverage (ratio)	0.6
Multiplier effect (ratio)	2.1

Geographical diversification

The UIF specifically focuses on addressing the needs and priorities within Ukraine. The framework is designed solely to support Ukraine, in alignment with its objectives, rather than being distributed across multiple regions or countries as it is the case of ELM, EFSD and EFSD+.

Sectoral diversification – other than the EIB-dedicated window

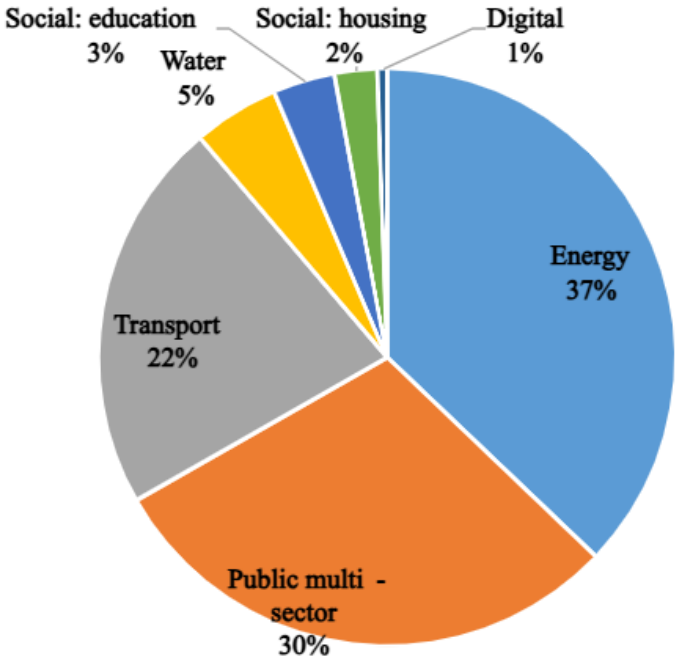
As of 31 December 2025, out of a total of EUR 1.7 billion in signed and disbursed operations, EUR 730 million (44%) was allocated to Energy, EUR 448 million (27%) to support SMEs, EUR 195 million (12%) to Telecoms (digital sector), EUR 120 million (7%) to logistics, EUR 101 million (6%) to municipal investments, EUR 24 million (1.5%) to both agrifood and retail sectors and EUR 11 million (0.6%) million to housing and industrial sectors.



Sectoral diversification – EIB-dedicated window

As of 31 December 2025, out of a total of EUR 1.95 billion in signed operations under the EIB dedicated window, EUR 724 million (37%) was allocated to Energy, EUR 578 million (30%) was allocated to public-multisectoral programmes, EUR 429 million (22%) to transport, EUR 94 million (5%) to water, EUR 114 million in total (6%) to social sectors (education and housing) and EUR 10 million (0.5%) to digital sector.

It should be noted that this EIB-dedicated window graph contains information only at the programme level. For this reason, these sectoral statistics are presented separately from those of other UIF programmes, which are reported at the level of the underlying operations.



1.6.3 FINANCIAL INFORMATION

As of 31 December 2025, 8 UIF guarantee agreements had been signed and entered into force, representing total guarantee capacity of EUR 3.54 billion. Operations signed by counterparts under these agreements amounted to EUR 3.6 billion, with the corresponding EU risk capped at EUR 2.7 billion. The EU risk associated with amounts disbursed by counterparts stood at EUR 1.18 billion. As the programmes remain in the ramp-up phase, the EU risk linked to signed and deployed operations is expected to increase over the next two years.

all figures in EUR

	EU contingent and financial liability	
	31-12-2025	31-12-2024
Available guarantee signed with counterparts	3,540,000,000	790,000,000
EU risk for operations signed by counterparts	2,698,776,585	172,301,096
EU risk for operations signed by counterparts and disbursed	1,180,834,731	131,801,096

all figures in EUR

	EU guarantee revenues	
	2025	Cumulative until 31-12-2025
EU guarantee revenues	3,224,320	3,331,352

all figures in EUR

	Guarantee calls and recoveries	
	2025	Cumulative until 31-12-2025
Guarantee calls	0	0
Recoveries	0	0
Net guarantee calls	0	0

all figures in EUR

	Expenses	
	2025	Cumulative until 31-12-2025
Fees to counterparts	0	0
Other expenses (recovery costs, funding costs, other)	0	0

Financial information at the level of the guarantee agreements

all figures in EUR and as at 31/12/2025

	Financial Inclusion Recovery Programme in Ukraine	Municipal, Infrastructure and Industrial Resilience Guarantee Programme Plus	Hi Bar Programme
Overview			
Effective	Yes	Yes	Yes
Counterpart	EBRD	EBRD	EBRD
Description	The "Financial Inclusion Recovery Programme in Ukraine" programme is supporting access to finance to MSMEs via Partner Financing Institutions, with the aim to improve MSMEs competitiveness and inclusion, help MSMEs investing and improving alignment to EU standards and increase competitiveness.	Top up of an existing EFSD+ guarantee agreement initially contracted 2020. The EBRD Resilience is a multisector guarantee programme that cover different sectors, including: i) industrial activities, ii) buildings, iii) municipal infrastructure, iv) transport and logistics and v) agribusiness and food value chains sector.	Through the Programme, the EU made available a UIF guarantee allocation of EUR150 million, to support loans from the EBRD and commercial co-lenders for projects in Ukraine. In addition, it was top-up with EUR 500 million to enable emergency gas purchases for Naftogaz ahead of the winter season.
Maximum guarantee signed with counterpart	140,000,000	150,000,000	650,000,000
Operation type	Loans and portfolio guarantees to Partner Financing Institutions for MSME lending	Direct loans to private entities or sub-sovereign non commercial entities	This guarantee cover is available for EBRD's loans, A/B syndicated loans, or parallel loans of lenders who are co-financing projects alongside EBRD.
Risk-sharing structure	"EU risk - 'Product 2': Up to 25% FLG on MSME portfolios 'Product 3': Capped FLG - up to 18% - on PFI counterparty risk"	EU risk - max 55.5% of the FLP but with a maximum average FLP of 30% across the portfolio	First loss
Cumulative operations signed by counterpart	448,269,444	256,135,000	642,300,000
Cumulative operations disbursed by counterpart	403,219,273	166,449,914	514,459,972.6
EU contingent and financial liability			
Available guarantee signed with counterpart	140,000,000	150,000,000	650,000,000
EU risk for operations signed by counterpart	110,331,250	41,202,321	496,521,000
EU risk for operations signed by counterpart and disbursed	110,331,250	27,914,772	464,660,947
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	IFC - Better Futures Programme (BFP) - Resilience, Reconstruction, and Regeneration of Ukraine (RE-Ukraine)	SME Access to Finance - PPG	Ukraine Recovery and Reconstruction Guarantee Facility
Overview			
Effective	Yes	Yes	YES
Counterpart	IFC	EIB	EBRD
Description	UIF Better Futures Guarantee Agreement is a multisector guarantee programme covering operations in i) renewable energy, ii) telecommunications/digital sector, iii) agriculture and food processing, iv) industry and manufacturing	EIB Partial Portfolio Guarantees Programme supports pass-through guarantees to local PFIs to cover losses arising from MSME on-lending portfolios.	The Ukraine Recovery and Reconstruction Guarantee Facility ("URGF") is a private sector operation that aims to re-launch the market for war risk insurance in Ukraine. Under the project, EBRD provides a guarantee of up to € 110 million in favour of URGF IC Limited (the "Company"). The Company will use EBRD's guarantee to provide reinsurance cover for war related losses and damages in Ukraine to insurance market participants .
Maximum guarantee signed with counterpart	350,000,000	150,000,000	50,000,000
Operation type	Direct loans to private entities	Indirect loans through financial intermediaries	Counter-guarantee to cover insurance products
Risk-sharing structure	EU risk - max. 50% FLP with the covered percentage of up to 90%	EU Risk - up to 20% FLP on MSME portfolios.	EU guarantee in the form of pass-through coverage for an insurance vehicle
Cumulative operations signed by counterpart	305,998,120	0	0
Cumulative operations disbursed by counterpart	128,292,565.2	0	0
EU contingent and financial liability			
Available guarantee signed with counterpart	350,000,000	150,000,000	50,000,000
EU risk for operations signed by counterpart	130,642,500	0	0
EU risk for operations signed by counterpart and disbursed	117,633,566	0	0
Cumulative guarantee calls and recoveries			
Cumulative guarantee calls	0	0	0
Cumulative recoveries	0	0	0
Cumulative net guarantee calls	0	0	0
Cumulative expenses			
Fees to counterpart	0	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0	0

all figures in EUR and as at 31/12/2025

	Better Futures Program - High Impact Equity Guarantee (HI Equity - Phase I)	EIB Dedicated guarantee agreement
Overview		
Effective	YES	YES
Counterpart	IFC	EIB
Description	The programme focuses on facilitating quasi-equity and equity investments in venture capital and private equity funds, along with direct investments, to support critical sectors essential for Ukraine's reconstruction and recovery, specifically in financial services and infrastructure.	This guarantee will enable the EIB to provide sovereign or sovereign-guaranteed loans for public sector reconstruction projects, such as in the areas of energy, transport and water infrastructure, including in the maritime domain, municipal infrastructure or energy efficient repairs of damaged housing.
Maximum guarantee signed with counterpart	100,000,000	1,950,000,000
Operation type	Equity	Guarantee
Risk-sharing structure	Up to 50% FLP on equity transactions	94% portfolio FLP of the Minimum Guarantee Signature Limit (capped at EUR 1.95)
Cumulative operations signed by counterpart	0	1,950,000,000
Cumulative operations disbursed by counterpart	0	460,294,196
EU contingent and financial liability		
Available guarantee signed with counterpart	100,000,000	1,950,000,000
EU risk for operations signed by counterpart	0	1,920,079,514
EU risk for operations signed by counterpart and disbursed	0	460,294,196
Cumulative guarantee calls and recoveries		
Cumulative guarantee calls	0	0
Cumulative recoveries	0	0
Cumulative net guarantee calls	0	0
Cumulative expenses		
Fees to counterpart	0	0
Other expenses (recovery costs, funding costs, other) cumulative over all mandates	0	0

2. ASSESSMENT OF CONTINGENT LIABILITIES GENERATED BY BUDGETARY GUARANTEES AND FINANCIAL ASSISTANCE

2.1. INTRODUCTION

Contingent liabilities are financial commitments that may require the EU to make payments in the future. They arise when the EU has entered into a financial operation, but it remains uncertain whether a future payment will be needed, and, if it is, when the payment will occur and how much will have to be paid. The EU therefore needs appropriate risk methodologies to estimate these payments, and safeguards to ensure that the budget can absorb these potential payments with a high level of confidence.

2.1.1. SCOPE

In the context of the EU budget, contingent liabilities arise from two types of financial operation:

a) **Budgetary guarantees**, where the EU covers part or all the losses incurred by implementing partners on financial operations benefiting from an EU guarantee. Any future EU payment depends on the performance of the underlying borrowers, investees or projects, and the extent to which losses are covered by the guarantee.

b) **Financial assistance,** where the EU borrows funds on the capital markets and on-lends them to beneficiary countries. The EU remains liable to repay its borrowing from the capital markets in full and on time. Any future call on the EU budget depends on whether the beneficiary country repays the EU as scheduled. If it does not, the EU budget may have to cover the missing amount.

Contingent liabilities from budgetary guarantees and most financial assistance loans to third countries are provisioned through the Common Provisioning Fund (CPF). By contrast, contingent liabilities from financial assistance to Member States are covered by the EU budgetary headroom. Since 2023, contingent liabilities from financial assistance disbursed to Ukraine are also covered by the headroom. This report focuses on provisioned contingent liabilities only, while the sustainability of headroom-backed contingent liabilities is assessed separately in the Article 256 report.

Specifically, this report assesses, as of the end of 2025, whether the provisions set aside in the CPF are sufficient to cover potential payments that may arise from these contingent liabilities. Where relevant, it also identifies any surplus or replenishment need in line with Article 216(4) of the Financial Regulation: "*any surplus of provisions for a budgetary guarantee or financial assistance to a third country shall be returned to the budget; any replenishment of the fund shall be carried out in annual tranches during a maximum period of three years*".

2.1.2. *"DE FACTO"* PROVISIONING RATE

The objective of this first test is to measure the "*de facto* PR", which is to assess how much provisions are in a CPF compartment versus the "target provisioning rate" set in the Basic Act(s) and authorizing the programme(s) backed by the compartment.

$$de\ facto\ PR\ = \frac{\text{market value CPF compartment}}{\text{total amount of (outstanding)signed guarantees with counterparties }(43)}$$

With:

$$Target\ PR = \frac{total\ allocated\ provisioning\ amount}{total\ amount\ of\ guarantee\ program}$$

For the *de facto* PR, the actual market value of the guarantee fund is divided by the total amount of (outstanding) signed guarantees with counterparties. This ratio is calculated based on year-end data and to also have an indication of developments in the near future, the respective figure is also projected for the next five years. This test is used to assess whether and to what extent the "*de facto* provisioning rate" is aligned with the target provisioning rate:

- **For programmes in ramp-up phase**, this test indicates whether the pace of provisioning accumulation aligns with liability growth, though discrepancies should not signal immediate concerns.
- **For fully constituted guarantees**, however, this measure is critical, as it quantifies the budgetary impact. A provisioning surplus or replenishment need is the difference between the *de facto* and target provisioning rates, multiplied by the total (outstanding) signed guarantees with counterparties.

2.1.3. VAR VERSUS TARGET PROVISIONING RATE

A second test assesses the degree of confidence that the target provisioning rate will be sufficient to cover the estimated losses associated with the corresponding CPF compartment of the budgetary guarantee. The estimated losses are measured through a Value at Risk (VaR) approach defined by a specified confidence level and time horizon. The confidence level represents the probability that actual losses will not exceed the estimated VaR amount over the selected time horizon.

$$\text{Target PR } \geq \frac{\text{Value at Risk}}{\text{Total (outstanding) signed guarantees with counterparties}}$$

When the VaR is divided by the outstanding amount of signed guarantees, this translates into an implied risk-based provisioning rate, which can then be compared with the target provisioning rate defined *ex ante* in the Basic Act. Interpretation:

[43] i.e. the 'ceiling in the guarantee agreements signed and effective minus all net payments that reduce the guarantee cap minus guarantee released'

- **For ramp-up programmes,** the test indicates whether risk "consumption" is above or below average.
- **For fully constituted programmes,** the test may support adjustments to the target PR (upward or downward).

2.1.4. RISK COVERAGE OF THE VAR

A third risk metric assesses the extent to which the risk-based provisioning needs, as measured by the VaR amount at the selected confidence level, are covered by the current provisioning available in the CPF compartment, measured on a mark-to-market basis (MtM). This metric is essentially used for programmes, which are already fully constituted and is calculated as follows:

$$\text{VaR coverage} = \frac{\text{MtM of the CPF compartment}}{\text{Value at Risk}}$$

2.1.5. EFFECTIVE PROVISIONING RATE (EPR)

The Effective Provisioning Rate (EPR) is an indicator defined as the ratio between the sum of the standalone one-year VaRs calculated separately for each programme and the aggregate one-year VaR calculated at the level of the overall portfolio. The indicator therefore measures the diversification benefit resulting from the pooling of exposures across programmes. In accordance with Article 216(2) of the Financial Regulation, the ratio shall not fall below 95%.

The Commission has decided to keep the EPR, as defined in Article 216 of the Financial Regulation, at 100%. This decision takes into account information on the ramp up rhythm of the different budgetary guarantees and financial assistance instruments, the correlations between their expected and unexpected losses (and the calculation methodologies underlying these risk metrics) and the market conditions.

2.2. RISK METHODOLOGIES

For all contingent liabilities, the Financial Regulation Article 214 requires that "*the setting of a provisioning rate shall be guided by a qualitative and quantitative assessment by the Commission of the financial risks arising from a budgetary guarantee or a financial assistance to a third country in accordance with the principle of prudence, whereby assets and profits shall not be overestimated and liabilities and losses shall not be underestimated*". In addition, "*the provisioning rate shall be based on the global provisioning needed in advance to cover the net expected losses and, in addition, an adequate safety buffer"*

This section 2.2 explains the risk methodologies in place to measure the credit "*financial risks*" for budgetary guarantees as well as for lending to non-EU countries. For financial assistance programmes, section 2.2.3 also provides the expert judgement assessment from the Authorising Officer by Delegation.

2.2.1. BUDGETARY GUARANTEES – DEBT EXPOSURES

Currently, for debt-type exposures, two statistical credit risk models are used to estimate future losses (net of revenues) resulting from external and internal budgetary guarantees. Based on a set of assumptions, these models allow for the estimation of the potential losses, the expected losses and unexpected losses, i.e. the VaR of the portfolio with a certain confidence level over a certain timeframe. These models provide information on the probability of having a surplus or a deficit in the CPF compartments over the lifetime of the budgetary guarantees covered by them. As with any statistical estimation, it can always be that actual outcomes in the future differ from these estimates. These existing models have been used to assess the adequacy of the provisions.

Going forward, the Commission will deploy a corporate credit risk model, i.e. the "Unified Credit Risk Model" (UCRM), which has been externally validated on 31 March 2026.

The UCRM aims at harmonizing the assessment of credit risk across all Commission portfolios of budgetary guarantees for debt products. The objective is to ensure consistency in measuring, monitoring and managing credit risk at both the individual guarantee programme (i.e. Basic Act) and aggregated corporate portfolio levels. The UCRM will be fully operationalized and deployed for the next 41.5 report in 2027. The impact on the Value at Risk by programme (internal mandate and external mandate guarantees) from its implementation will be duly disclosed.

2.2.2. BUDGETARY GUARANTEES – EQUITY AND OTHER NON-DEBT EXPOSURES

For equity and other non-debt exposures (e.g. hybrid debt, derivatives) for which the credit risk models currently available to the Commission cannot be used, the risk estimates of the relevant risk metrics are based on expert judgement.

2.2.3. LOANS TO NON-EU COUNTRIES

At the end of 2025, EU loans to non-EU countries amounted to EUR 76.0 billion (principal only). Ukraine accounted for the largest share, with EUR 70.6 billion or 93% of the EU's total lending exposure to non-EU countries.

Lending to non-EU countries is underpinned by legal acts establishing the various EU programmes of financial assistance and the general provisions set out in the Financial Regulation. The legal agreements fall in three broad categories: Euratom, MFA programmes, and 'facilities' for Ukraine, Moldova, and the Western Balkans. In all cases, the EU budget is protected against potential credit losses through different mechanisms including provisioning in the Common Provisioning Fund, callable guarantees from EU Member States, and the EU budget headroom. The credit risk coverage of loans to third countries, at the end of 2025, was as follows:

- The MFA programmes amounting to EUR 16.0 billion in outstanding exposures at end-2025 are provisioned in the budget at 9%[44]. Of these outstanding exposures, EUR 6.0 billion, correspond to the two Exceptional MFA loans disbursed to Ukraine in 2022. These two exposures benefit from additional risk protection through a guarantee from EU Member States of 61%, resulting in a 70% budgetary cover.

- Loans granted to Ukraine since 2023 have been fully covered by the EU budget headroom. These exposures amount to EUR 59.3 billion of principal outstanding at end of 2025 (MFA+, UAF and 'ERA' MFA).[45] The repayment of the 'ERA' MFA is governed by a specific mechanism known as the Ukraine Loan Cooperation Mechanism (ULCM), aimed at supporting the repayment of the loan through the extraordinary profits coming from the Russian immobilized central bank assets.

- Euratom loans to non-EU countries, also provisioned in the budget at 9%, amounted to EUR 300 million principal outstanding at the end of 2025.

- Disbursements under the Western Balkans and Moldova Facilities started in 2025, resulting in principal outstanding of EUR 184 million and EUR 289 million, respectively, at the end of 2025, also provisioned in the budget at 9%.

To examine whether above provisioning rates remain adequate from a budgetary perspective, two complementary risk approaches were used: expert judgement and quantitative loss estimate.

[44] These refer to most loans, except MFA loans to Ukraine which are covered under the headroom (the EUR 18 billion MFA+ programme and the EUR 18.1 billion ERA MFA (ULCM)).

[45] The Ukraine Support Loan (USL) for an amount of EUR 90 billion was adopted in 2026.

Table 1. EU lending exposures and CPF compartments, end of 2025, EUR million

Coverage Type	Compartment (if any)	Beneficiaries	Outstanding principal
CPF	GFEA	Albania, Armenia, Bosnia & Herzigovina, Georgia, Jordan, Kosovo, Kyrgystan, Moldova, Montenegro, North Macedonia, Tunisia, Ukraine	7,548
CPF	Post-2020	Albania, Bosnia & Herzegovina, Egypt, Jordan, Kosovo, Moldova, Montenegro, North Macedonia, Serbia, Ukraine	3,193
CPF + MS guarantees	Exceptional MFA	Ukraine	6,000
Total non-EU countries			**16,741**

2.2.3.1. Expert judgement assessment

The assessment of contingent liabilities from financial assistance to third countries is based on expert judgement of the relevant Authorizing Officers (AOs). This assessment takes into account both qualitative and quantitative factors, including outstanding lending exposures, historic payment defaults, the maturity structure of the loan portfolio, IMF Debt Sustainability Assessments[46], credit ratings from the main rating agencies, and macro-economic developments in partner countries.

As Authorizing Officers for MFA, WBF and MDF loans, DG ECFIN and DG ENEST analysed the economic situation of the beneficiary countries and closely monitored the relevant IMF debt sustainability analyses, as well as ratings issued by the main rating agencies.

This assessment confirmed that there are currently no grounds to question the overall 9% target provisioning rate set in the NDICI Global Europe Regulation (Article 31(5)) for MFA, the Reform and Growth Facility for the Western Balkans (Article 18 (1)) for the loans under the Western Balkan Facility, and the Reform and Growth Facility for the Republic of Moldova (Article 16 (1)) for the loans under the Facility for Moldova. This conclusion is based, among other considerations, on the following positive drivers:

- No payment default of a non-EU beneficiary to the EU in relation to loans granted under financial assistance instruments in the 2025 reporting year nor in any previous reporting years;

[46] Debt Sustainability Analysis.

- After assessing loans outstanding as of 31 December 2025, the respective Authorising Officers concluded there was no need to classify any of the EU exposures to non-EU countries as credit-impaired;

- The nature of the countries benefiting from MFA, that are either EU candidate countries or neighbourhood countries with a Strategic and Comprehensive Partnership, ensuring close cooperation with the EU and strengthening incentives to repay the EU;

- The MFA operations' traditional direct link to and contingency on a satisfactory track record under a disbursing IMF programme, which provides additional assurance on the debt sustainability of the beneficiary country and, thus, on the capacity to repay Union funds, its commitment to reform, and the MFA/IMF requirements to implement strong macro-fiscal and structural conditionalities strengthening economic fundamentals and resilience;

- The economic standing of the MFA beneficiaries, taking into account factors such as the GDP/capita, relative maturity of the economy and proximity to the EU economy;

- In terms of liquidity risk, the maturities of loans to third countries are reasonably well spread over the current and subsequent MFFs. This repayment profile, together with ongoing portfolio monitoring and the budgetary safeguards, help to limit potential liquidity pressures in the event of payment delays or default. Nevertheless, in terms of emerging risk and/or points of attention, the Commission notes the following: and

- In light of ongoing geopolitical events, the economic standing of MFA beneficiaries remains under close monitoring by the Commission:

    - Economic growth in the Eastern neighbourhood countries moderated somewhat in 2025 from elevated levels in the previous two years.

    - Economic growth neighbourhood strengthened in 2025 across the Southern, yet conflicts in the region pose economic and political risks and uncertainty remains high. Fiscal positions remained under pressure in 2025.

    - In the Western Balkans, real GDP growth eased in 2025. Fiscal balances deteriorated in most countries, while public debt levels remain generally low to moderate.

    - The situation in Ukraine following Russia's continued aggression requires a dedicated assessment of risks, even if the country remains fully committed to honour its debt. This assessment is provided in section 2.3.

2.2.3.2. Quantitative loss estimate

To complement the expert judgment-based approach, a risk-based statistical assessment of the portfolio will be performed going forward. The Commission will deploy a corporate credit risk model, i.e. the "Unified Credit Risk Model" (UCRM), which has been externally validated on 31 March 2026. The UCRM aims at harmonizing the assessment of credit risk across all Commission portfolios of debt type of products.

2.3. EU SUPPORT TO UKRAINE

The objective of this section is to provide a consolidated view on EU financial support to Ukraine.

2.3.1. BACKGROUND

In 2025, Ukraine continued to benefit from substantial EU financial support granted since the outbreak of Russia's war of aggression, conditional on the fulfilment of specific reforms and investments. EU exposures to Ukraine are made up of 'direct' (loan) and 'indirect' (guarantee) exposures.

Table 2. Ukraine exposures, EUR million, end of 2025

Programme	Type	Amount committed	Outstanding exposure	Maximum maturity (year)
Legacy exposures – fully disbursed	Loan	6,510	5,310	2037
Exceptional MFAs (2022)	Loan	6,000	6,000	2053
MFA+ (2023)	Loan	18,000	18,000	2053
UAF	Loan	33,000	23,163	2061
ERA MFA (ULCM)	Loan	18,115	18,115	2070
Total Loans		**81,625**	**70,588**	
UIF	Guarantee	3,540	1,181	2073
ELM	Guarantee	4,891	3,434	2053
- of which "Repurposed [EIB] loans Ukraine'	*Guarantee*	*1,586*	*1,578*	*2053*
EFSD+	Guarantee	127	127	
- of which EFSD+ W1	*Guarantee*	*100*	*100*	*2053*
- of which EFSD+ Open Architecture	*Guarantee*	*27*	*27*	*2030*
EFSD	Guarantee	104	99	2032
Total Guarantees		**8,662**	**4,841**	
Total Loans + Guarantees		**90,287**	**75,429**	

Notes for loans: 'Legacy exposures' adopted before March 2022 include Euratom, MFA I, MFA II, MFA III, MFA IV, MFA COVID (V) and Emergency MFA (VI). Amount committed stands for the consolidated loans' amount signed and still active. The difference between amount committed and outstanding exposure reflects the amount still possible to disburse in the future (e.g., the case of UAF) and / or amounts which have already been disbursed and reimbursed (e.g., the case of legacy exposures MFA I, II and III).

Note for budgetary guarantees: figures are based on reporting datasets received from the Implementing Partners. Max maturity 2073 refers to the maximum maturity for sovereign exposures. For EFSD, the difference between amount committed and outstanding exposure reflects the amounts which have already been disbursed and reimbursed. For ELM, the outstanding exposure includes amounts fully disbursed, partially disbursed and signed contacts.

At end-2025, Ukraine completed the restructuring of the USD 2.6 billion of GDP warrants, which were exchanged with newly issued bonds to which S&P assigned a rating of 'CCC+' from 'SD'. This restructuring, combined with Ukraine's ample foreign exchange reserves and

the EU's continued financial support to Ukraine, have triggered rating upgrades from the main credit rating agencies[47:]

- In May 2025, Moody's affirmed Ukraine's long-term foreign currency rating at Ca with stable outlook and maintained this rating throughout the year.
- On 22 December 2025, Fitch upgraded Ukraine's long-term foreign currency issuer default rating to 'CCC' from 'Restricted Default'.
- S&P maintained Ukraine's foreign currency rating 'SD' ('Selected Default') throughout 2025, to raise it to 'CCC+' with stable outlook on 22 January 2026.

Ukraine remains current in its repayments to the Commission.

2.3.2. RISK ASSESSMENT OF UA EXPOSURES

Exposures to Ukraine after the start of the war received 70% protection or are alternatively covered by the headroom. The provisioning rate of 70%[48] applied to the ELM repurposed loans, the Ukraine Guarantee, a part of EFSD+ W1 (cf supra), and the exceptional MFA loans has been analysed based on both a qualitative and quantitative assessment of the risks as they stood at end-2025.

Elements taken on board in this assessment include Ukraine's EU candidate status since 2022, the IMF's latest DSA assessment of 26 February 2026[49], Ukraine's positive track record with the IMF, its progress in securing external debt relief, and the absence of indications credit impairment triggering events (stage 3) to the EU's financial exposure to Ukraine as a sovereign over the past year. More specifically, the Authorising Officer indicated the following regarding exposures to Ukraine:

- Despite Russia's ongoing war of aggression against Ukraine, there were no indications over the past year of any credit impairment triggering events (stage 3) to the EU's financial exposure to Ukraine as a sovereign. Ukraine's economy shows signs of resilience, but uncertainties remain very high.

- Over the past year, Ukraine has made progress in securing external debt relief, including a debt restructuring by the private sector, while the Group of Creditors of Ukraine agreed on 15 January 2026 to extend the standstill until the end of the new IMF programme, which reduced Ukraine's debt burden and eased repayment obligations in the medium term. In September 2025, Ukraine also reached agreement on a China EXIM USD 850 million government guaranteed loan, postponing

47 Ratings.Moodys.com/ratings-news/444169; Ukraine Foreign Currency Rating Raised To 'CCC+' | S&P Global Ratings ; Fitch Upgrades Ukraine to 'CCC'

48 Under DECISION (EU) 2022/1628, the adequacy of the 70% provisioning rate must be reviewed every 6 months, starting from June 2023.

49 Ukraine: Request for an Extended Arrangement Under the Extended Fund Facility and Cancellation of the Current Arrangement-Press Release; Staff Report; Supplementary Information; and Statement by the Alternate Executive Director for Ukraine; IMF Country Report No. 26/058; February 13, 2026.

repayment to 2034-40, with a grace period on interest until 2029. In December 2025, the authorities successfully exchanged all outstanding GDP-linked warrants, totalling USD 2.6 billion, into a new series of Eurobonds. This exchange settled Ukraine's external arrears arising from the missed 2025 GDP warrant payment.

- Ukraine has been an EU candidate country since 2022 and is committed to making rapid progress on its accession path.

- Ukraine has a positive track record with the IMF: until end 2025, it had a four-year Extended Fund Facility (EFF) of USD 15.5 billion, which was adopted in 2023 and followed by eight successful reviews. In November 2025, Ukraine reached a staff level agreement on a new EFF with the IMF. The executive board of the IMF approved the new programme on 26 February 2026. The programme has been designed in line with the Fund's policy on lending under exceptionally high uncertainty, and strong financing assurances have been provided from donors, including the EU and the G7. Considering financing assurances from official creditors, and the authorities' ongoing efforts to restructure commercial claims, the IMF concluded that debt remains assessed as sustainable on a forward-looking basis. This assessment is supported by the debt standstill provided by the official bilateral creditors, including for debt disbursed after end-August 2022, the authorities' aim to complete the restructuring of the remaining unrestructured commercial claims in 2026, as well as strong political commitments in terms of structural fiscal reforms. These developments, alongside substantial EU financial support have led some credit rating agencies to slightly improve Ukraine's sovereign rating recently.

Several factors were considered when reassessing the adequacy of the 70% provisioning rate:

- Ukraine remains highly reliant on external donor financing and highly concessional arrangements (mainly from the EU and other G7 partners) as a source of budget funding to close fiscal gaps not covered by tax revenues and financing from the domestic market. Moreover, uncertainty persists regarding the end of the conflict.

- In credit ratings terms, Ukraine remains Ca, CCC, and CCC+. depending on the credit rating agency.

Despite positive signals, there has been no material change in Ukraine's standalone creditworthiness, which remains largely dependent on external donors and concessional arrangements. There are therefore no sufficient developments for a revision of the 70% provisioning rate applied to Ukraine related exposures at this stage. **Maintaining a provisioning rate of 70% is considered prudent and adequate to protect the EU budget** from potential losses arising from ELM repurposed loans, the Ukraine Guarantee and the exceptional MFA loans.

2.4. CPF ASSESSMENT: PROGRAMMES ADOPTED IN PREVIOUS MFF'S

The deficit/surplus procedure is applicable to these legacy programmes, for which the implementation period has expired, and it is no longer possible for the Implementing Partners to sign additional operations under these programmes. The sections 2.4.1 to 2.4.3 group the programmes per corresponding CPF compartment, which cover the programmes. As of the end of 2025 there are three compartments covering legacy programs (see Table 3).

Table 3. CPF compartments covering programmes adopted before 2021[50].

CPF compartment	Mark-to-Market in EUR million	Programmes covered
EFSI	9,234	EFSI
EFSD	809	EFSD
GFEA	3,529	ELM, legacy MFA, legacy Euratom

2.4.1. EFSI COMPARTMENT

Table 4. EFSI main risk characteristics, EUR million

Programme	Type of risk	Amount signed/ EaD[51]	Credit risk estimate	Legal Target provisioning rate	Legal target provisioning amount
EFSI	Debt	14,865[52]	3,863	**35%**	**7,719**
	Non-debt	7,189	3,117		
	Total	**22,054**	**6,980**		

EFSI implementation period ended as of 31 December 2022[53]. The EFSI guarantee consists of two windows ("Infrastructure and Innovation Window" and "SME Window"), which both implement debt and equity products:

- **Debt operations:** signed guarantee with counterparties stood at EUR 14,865 million end of 2025, the related risk metrics are based on a credit risk model developed and run by the Technical Assistance Unit from EIB ("TAU").[54]

- **Equity and other non-debt operations**: signed guarantee with counterparties stood at EUR 7,189 million at the end of 2025.

50 The CPF Mark-to-Market values are added with LIGA.

51 Exposure at Default.

52 This figure takes into account the combination of InvestEU D1/D2 and EFSI debt portfolios.

53 However the debt portfolio which is shared *pro rata* with InvestEU is still originating financial exposures so this part of the EFSI exposures is not in run-down phase.

54 In accordance with the Partnership Agreement signed with the EIB in May 2022, the provisioning rate of EFSI (and InvestEU) debt operations is calculated by the TAU. This estimated provisioning rate is related to the combined EFSI IIW debt portfolio (standard debt and debt hybrid) with the equivalent InvestEU debt portfolios.

As of 31 December 2025, the EFSI CPF compartment[55], held provisions worth EUR 9,234 million and the outstanding "total available guarantee amount signed with counterparts" amounted to EUR 22,054 million. Therefore, in nominal terms, the theoretical gross surplus, as a difference between the legal target provisioning and the EFSI compartment value of the CPF at the end of 2025, amounted to EUR 1,516 million.

However, several deductions have to be made on this amount of EUR 1,516 million:

- The amount in the CPF still includes the 2024 surplus of EUR 853 million;
- The amount of provisioning pertaining to combinations allowed by the InvestEU; and Omnibus II Regulation to be implemented by the EIF estimated at EUR 187 million.

Table 5. EFSI CPF compartment, EUR million

CPF Compartment	MtM	Book value	CPF MtM vs. legal target		CPF MtM vs. total risk[56]		*De facto* PR[57]	Risk based PR
			EURm	%	EURm	%	%	%
EFSI	9,234	8,985	+475	106.3	2,254	132.3	37.2	31.6

The net surplus in the EFSI compartment, for 2025, therefore amounts to EUR 475 million[58] (i.e., the *de facto* provisioning rate of 37.2% is higher than the target provisioning rate of 35%).

Risk assessment: the results of the risk analysis are based on a credit risk model used for combined IIW and InvestEU debt operations and on methodology and expert judgment for IIW and SMEW equity and SMEW debt products. The assessment indicates a VaR amount of EUR 6,980 million[59] (compared to a figure last year of EUR 7,849 million) at a 95% lifetime confidence level. The underlying provisioning dynamics reveal a shift towards less provisioning needs (because of a decrease in the overall size of the portfolios and reduced risk exposure). On balance this results in a decrease in the required provisioning from 34% to 31.6%.[60]

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55 Including the EFSI cash buffer held at the Commission's central treasury to deal with short term expected guarantee calls.

56 Over the lifetime of the exposures.

57 This *de facto PR* takes into account the deductions of the 2024 surplus and the amount of provisioning pertaining to combinations allowed by the InvestEU and the Omnibus II to the CPF MtM.

58 The exact amount is EUR 475,200,093.

59 This VaR amount was computed by also taking into account the EU risk for operations signed by counterparts in the combined InvestEU D1/D2 and EFSI debt portfolios EUR 22,054 million.

60 Changes to the EFSI provisioning rate require an amendment of the EFSI Regulation. Indeed, it has to be noted that, in contrast to the legislation establishing subsequent budgetary guarantees (other than EFSD) which allow the Commission to adjust the provisioning rate within a certain range by means of a delegated act, changes to the EFSI provisioning rate require an amendment of the EFSI Regulation.

2.4.2. EFSD COMPARTMENT

Table 6. EFSD main characteristics, EUR million

Programme	Type of risk	Amount signed/ EaD[61]	Credit risk estimate	Legal Target provisioning rate	Legal target provisioning amount
EFSD	Debt/Equity	579	313	50%	290

The implementation period of EFSD ended as of 31 December 2024. The provisions of the EFSD CPF compartment have already been constituted in full.

Table 7. EFSD CPF compartment, EUR million

CPF Compartment	MtM	Book value	CPF MtM vs. legal target		CPF coverage vs. total risk		*De facto* PR	Risk based PR
			EURm	%	EURm	%	%	%
EFSD	809	793	+519	280	+496	258	140	54

As at 31 December 2025, the EFSD CPF compartment held provisions amounting to EUR 809 million, compared to EUR 785 million last year. This amount should be compared with the total available guarantee amount signed with counterparts, defined as the ceiling of guarantee agreements that are signed and effective, less any net payments reducing the guarantee cap and any guarantees released. As at 31 December 2025, this amount stood at EUR 579 million, compared with EUR 760 million a year earlier. The decrease mainly reflects a guarantee call under the COVAX programme[62], as well as repayments and guarantee cancellations. Comparing the available provisions with the total available guarantee therefore results in a de facto provisioning rate of approximately 140%[63], significantly above the target provisioning rate of 50%. In nominal terms, this represents a surplus of EUR 519 million above the amount required to meet the target provisioning level.

Risk assessment: when assessing whether the target provisioning rate is adequate, the required provisioning for the underlying products has to be assessed taking into account the risk profile of the guaranteed operations as compared to the *ex-ante* risk appetite (defined for the EFSD by the lifetime Value-at-Risk with 90% confidence level). The results of the risk analysis performed using the dedicated internal credit risk model indicate a lifetime VaR amount of EUR 313 million (versus EUR 464 million last year) at the desired 90% confidence level. This implies a required provisioning rate of 54.0% and a risk-based provisioning surplus of EUR 496 million[64].

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61 Total EU risk for operations signed by counterparts EUR 573 million. Input data used for the local risk model equals to EUR 579 million.

62 A EUR 130 million guarantee call under the COVAX program, received in 2025, was paid from EFSD+ resources as regulated by the Regulation (EU) 2026/995 amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee.

63 The 2024 surplus of EUR 405m has been kept in the EFSD CPF compartment in 2025 pending the adoption of the amendment of the NDICI regulation to simplify the EAG.

64 Using Mark-to-Market value of provisioning

2.4.3. GFEA COMPARTMENT

Until 2021, the provisioning for the ELM, pre-2021 MFA loans and non-EU Euratom loans was held in the Guarantee Fund for External Actions (GFEA). As of August 2021, the GFEA has been transferred to the CPF and constitutes a separate compartment thereof. The provisioning is fungible between ELM, pre-2021 MFA and pre-2021 non-EU Euratom loans. The assessment of the sustainability of the GFEA compartment is therefore assessed with all programmes combined. The MFA and Euratom portfolio is in a run-off phase with no disbursements and continuous repayments.

Table 8. GFEA-ELM, main characteristics, EUR million

Programme	Type of risk	Amount signed/ EaD[65]	Credit risk estimate	Legal target provisioning rate	Legal target provisioning amount
ELM	Debt	30,056	2,516	9%	2,774

Table 9. GFEA CPF compartment, EUR million

CPF Compartment	MtM	Book value
GFEA	3,529	3,430

CPF MtM vs. legal target[66]	
EURm	%
+755	127

De facto PR
%
11.4

Regulatory provisioning of the GFEA: Under the applicable regulations, the GFEA must maintain provisions equivalent to 9 to 10% of disbursed amounts corresponding to EUR 2,774 and to 3,082 million accordingly.

At 31 December 2025, the GFEA CPF compartment[67] stood at EUR 3,529 million. This results in a *de facto* provisioning rate of 11.45%.[68] Pursuant to the GFEA Regulation, which establishes a target provisioning rate of 9% and stipulates that any provisioning in excess of 10% shall be returned to the EU budget. In this reporting period a regulatory surplus of EUR 447 million[69] has arisen.

ELM risk assessment. The ELM portfolio consists of several historical mandates: two mandates under the 2014-2020 MFF[70], which have been extended to end 2021 plus other

65 Input data used for the local risk model.

66 provisioning rate 9% while the surplus is calculated on amounts in excess of 10%.

67 Including the cash buffer held at the central treasury.

68 Excluding exposures towards countries that have meanwhile become Member States in accordance with Art. 4 of the GFEA Regulation. The exposure amounts to about EUR 147 million.

69 The exact amount is EUR 446,605,986.

70 Established by Decision No 466/2014/EU of the European Parliament and of the Council, amended by Decision (EU) 2018/412 L_2018076EN.01003001.xml (europa.eu).

"legacy" mandates dating back from earlier MFF periods. All underlying operations relate to debt products, most of them with sovereign counterparties. There is also a limited number of private entity exposures, i.e. the ERI[71] Private Mandate and a number of political risk guarantees to commercial exposures. Some operations benefit only from 'political risk cover' (approximately 4.20% of the outstanding disbursed portfolio as of end-2025) whereas the vast majority benefits from a 'comprehensive risk cover'[72].

The ELM portfolio is overall in a run-off phase with limited disbursements and continuous repayments. The ELM programme, across its several mandates, has experienced some deterioration in its main credit risk metrics, driven by numerous rating downgrades. In addition, a part of the (still to be disbursed) portfolio of UA operations was moved to the Ukraine Facility and taken out from the ELM. The ELM repurposed loans to Ukraine for a maximum amount of EUR 1.59 billion ('Second EIB Relief Package for Ukraine', announced in July 2022) is provisioned at 70% as set by Decision (EU) 2022/1628 in a dedicated CPF compartment and are hence not taken into account in the assessment for the GFEA.

The results of the risk analysis performed on the existing risk model[73] indicate a VaR amount of EUR 2,516 million (versus last year's figure of EUR 2,732 million) at the 90% confidence level over the full lifetime of the guarantee. The GFEA was initially designed as a liquidity instrument, structured to allow for *ad-hoc* top-ups rather than pre-funding lifetime risk. Current level of GFEA provisions are therefore assessed as being adequate for their intended purpose, but may require replenishment if estimated losses materialize.

MFAs and Euratom risk assessment: as of the end of 2025, the total exposure of GFEA-backed MFA and Euratom loans amounted to EUR 7,548 million in notional terms. This exposure corresponds to a provisioning amount of EUR 679 million at the target provisioning rate (9% of disbursed amounts).

Going forward, the Commission will continue to closely assess the risk developments and the progressive build-up of both exposures and provisions within the relevant CPF compartments, considering the exposures of the GFEA to Ukraine.

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71 Economic Resilience Initiative Private Mandate of EUR 2.3bn, supported under the ELM 2014-20 further on the basis of Decision (EU) 2018/412, amending the original Decision No 466/2014/EU.

72 For the present analysis, political risk has been treated as if it were comprehensive risk, which is a conservative assumption.

73 The analysis is performed on "Total amount of EU risk for operations signed with Counterparts", defined as 'the exposure of the EU guarantee in terms of operations that are covered and still active.'

2.5. CPF ASSESSMENT: PROGRAMS ADOPTED SINCE 2021

The deficit/ surplus procedure is not applicable for the following programmes, which are still in the ramp-up phase. As of the end of 2025, five compartments covered current budgetary guarantee and financial assistance programs.

Table 10. CPF compartments covering programmes adopted from 2021.

CPF compartment	Mark-to-Market value in EUR million	Programmes covered
EFSD+	3,583	EFSD+
InvestEU[74]	7,128	InvestEU
Ukraine Guarantee	614	Ukraine Facility (Pillar 2 – Ukraine Investment Framework)
Post 2020 MFA	228	MFA[75], Western Balkans Facility, Moldova Facility
Exceptional MFA Ukraine	511	Exceptional MFA Ukraine
Repurposed ELM loans Ukraine	0	ELM (the repurposed loans under the second relief package)

2.5.1. INVESTEU COMPARTMENT

Table 11. InvestEU main characteristics, EUR million

Programme	Type of risk	Amount signed/ EaD[76]	Credit risk estimate	Legal Target provisioning rate	Legal target provisioning amount	Budgetary commitment appropriations
InvestEU	Debt	6,554	4,280	**40%**	**5,817**	**10,400**
	Equity and non-debt	7,988	4,754			
	Diversification effect[77]	-	-2,212			
	Total	**14,542**	**6,822**			

Table 12. InvestEU CPF appropriations, EUR million

	End 2025	2026	2027	total
Budgetary commitment appropriations	9,903	223	275	10,400
Budgetary payment appropriations	6,978	1,914	337,5	9,229

[74] Excluding the Member State compartments and the "blending compartment".

[75] Excluding Decision providing MFA loans to Ukraine adopted after February 2022

[76] Input data used for the local risk model.

[77] A diversification factor is applied to account for the diversified portfolios of liabilities.

The InvestEU guarantee consists of four windows[78], which implement debt and equity products. The InvestEU programme is still in the ramp-up phase meaning that operations with beneficiaries can still be signed until the end of 2028.

For part of the debt operations, the related risk metrics are based on a credit risk model developed and run by the Technical Assistance Unit from EIB ("TAU"). For the non-modelled exposures, equity and equity-type operations[79], the estimates are based on TAU methodology.

The EU compartment of the InvestEU guarantee is underpinned by EU budgetary provisions (financed from the EU budget but also partially financed from EURI resources and assigned revenues from legacy instruments as well as EFTA contributions) of EUR 10.66 billion, with a target provisioning rate of 40% as stipulated by Article 4 in the InvestEU Regulation[80]. As of 31 December 2025, the InvestEU CPF compartment held cash provisions worth EUR 7,128 million[81]. That figure needs to be compared with the "Total available Guarantee amount signed by[82] Counterparts" outstanding (which is defined as the 'ceiling in the guarantee agreements signed and effective minus all net payments that reduce the guarantee cap minus 'released guarantees'). On 31 December 2025, this figure amounted to EUR 14,542 million.[83]

When the available InvestEU provisions are divided by the total available guarantee amount as defined above, the *de facto* provisioning rate is 49%. Given that the ramp-up of the programme is still at an early stage and given that additional provisions will be paid in the remainder of this MFF, it is premature to draw any conclusions about provisioning adequacy.

Risk assessment: when assessing whether the target provisioning rate is adequate, the required provisioning for the underlying products has to be assessed. The results of the risk analysis conducted based on TAU/GROW's credit risk model and methodology indicate a VaR amount of EUR 9,034 million (confidence level at 95%). After applying a diversification effect this comes down to EUR 6.822 million (compared to a figure last year of EUR 4,808 million) at a 95% lifetime confidence level. On balance this results in an increase in the required provisioning from a risk perspective from 40.8% to 46.9% which is well above the target provisioning rate of 40%. The Commission carefully monitors the evolution/build-up of the portfolio to ensure that the risk remains within the risk appetite of the program.

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78 InvestEU has the following specific objectives (policy windows): Sustainable Infrastructure Window – SIW; Research, Innovation and Digitization Window – RIDW; SME Window – SMEW; and Social Investments and Skills Window – SISW.

79 Representing 55% of the "Total Amount of EU risk for operations signed by Counterparts".

80 Article 29(6) of the InvestEU Regulation allows the Commission to adjust that provisioning rate by up to 15% by means of a delegated act.

81 This value is excluding the Member State compartments and the "blending compartment" but including the cash buffer held at the Commission's central treasury to deal with short term expected guarantee calls.

82 TAU/GROW only model the part of the guarantee agreements that have been signed with the Implementing Partner and/or between the implementing partner and the final beneficiary or financial intermediary.

83 Maximum guarantee amount signed by counterparts, excluding blending and Member State compartments.

2.5.2. EFSD+ COMPARTMENT

Table 13. EFSD+ main characteristics, EUR million

Sub programmes	Type of risk	Outstanding amount signed[84]	Credit risk estimate	Legal Target provisioning rate[85]	Legal target provisioning amount	Budgetary commitment appropriations
IW1	Debt	21,558	2,593	9%	2,390	EUR 10 billion ceiling for EAG
IW2 PIIP	Debt	3,500				
IW2 CP	Debt	1,500				
OA + IW4	Debt & equity	7,540	3,493	50%	3,770	

EFSD+ is the instrument for external guarantees in this MFF period and is supported by the External Action Guarantee (EAG), with a provisioning ceiling initially set at EUR 10 billion.

2.5.2.1. *EFSD+ Investment Window 1 and 2*

Out of the total guarantee amount of EUR 53.45 billion, EUR 26,558 billion is dedicated to the EIB guarantee agreement Window 1 and 2[86]. The maximum amount of claims corresponds to a first loss piece (FLP) of 65% of the amount of operations under W1 and an FLP of 42% / 55% (depending on the type of operations) of the amount of operations under W2.

EFSD+ Investment Window 1 is an investment window providing comprehensive risk cover[87] for loans to sovereigns and non-commercial sub-sovereign counterparts. The EU budgetary guarantee provided under EFSD+ Investment Window 1 has as main purpose to support EU policy objectives (such as the Global Gateway) and enhances the risk-bearing capacity of the EIB. As of 31 December 2025, EFSD+ IW1 had already signed operations for a total value of EUR 13,313 million of which EUR 1,985 million had been disbursed.

On 31 July 2025, the EU and the EIB signed an EFSD+ Guarantee Agreement establishing the Investment Window 2 for an amount up to EUR 5 billion. It provides comprehensive risk cover for investments by commercial sub-sovereign counterparts, which are not backed by an explicit guarantee of a state and that are financially able to borrow at their own risk and have the legal capacity to do so. The Investment Window 2 is split into two sub-portfolios:

- the Public Interest and Infrastructure Portfolio ("PIIP") of up to EUR 3.5 billion; and

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84 Input data used for the local risk model.

85 The provisioning related to the EIB-dedicated windows of EFSD+ is based on the maximum authorised volume of the EIB financing operations to be guaranteed under these windows. This differs from the EFSD+ Open Architectures, where the provisioning is based on the guarantee cover limit.

86 The Investment Window 2 Guarantee Agreement was signed in July 2025 for an amount of EUR 5 billion, decreasing the available volume under Window 1 by an equivalent amount.

87 As opposed to political risk cover, which only covers defaults linked to trigger events of a political nature.

- the Commercial Portfolio ("CP") of up to EUR 1.5 billion.

The EU guarantee under Investment Window 2 ('IW2') is remunerated and the EIB retains a share of first losses ("*skin in the game*"), which distinguishes Investment Window 2 from Investment Window 1. At 31 December 2025, EFSD+ IW2 had already signed operations for a total value of EUR 813 million of which EUR 75 million had been disbursed.

2.5.2.2. EFSD+ Open Architecture and Investment Window 4

At 31 December 2025, there were 42 agreements signed under the EFSD+ Open Architecture Window for a total amount of EUR 7,740 million of which EUR 7,540 million is still active following full repayment of the COVAX II programme. Out of the EUR 7,540 million at end 2025, EUR 950 million had been disbursed[88]. This includes one guarantee agreement signed under EFSD+ Investment Window 4, which is *de facto* considered as part of the Open Architecture window. This up to EUR 1 billion window provides a first loss protection and focuses on private sector operations in Africa, Caribbean and Pacific. It is implemented solely by the EIB[89]. The risk estimates for EFSD and EFSD+ are derived from the dedicated internal credit risk model. At this stage, the EFSD+ Window 1 & 2 and the Open Architecture Window & Window 4 are modelled separately.

2.5.2.3. EFSD + provisioning

Pursuant to Article 31 of the NDICI Regulation[90], the target provisioning rate is between 9% and 50% depending on the type of operations. The Regulation also establishes that a maximum amount of EUR 10 billion from the Union budget may be used to provision the External Action Guarantee, covering EFSD+ and MFA / Euratom loans for the current MFF. The value of the EFSD+ CPF compartment by the end of 2025 amounted to EUR 3.58 billion[91]. The build-up of the provisioning in the CPF is planned over the 2021-27 period in terms of commitments and will run into the next MFF in terms of payments, taking into account the gradual build-up of the portfolio of operations covered by EFSD+ guarantees.

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[88] The EIB-COVAX II agreement for an amount of EUR 200 million has already been terminated.

[89] One agreement (RISE) was signed in August 2025, but it is not yet effective due to a condition not yet being fulfilled. Risk-wise it was included in the scope of portfolio risk simulations because of the conservative and forward-looking approach in these instances.

[90] Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (Text with EEA relevance).

[91] Including the cash buffer held at the Commission's central treasury to deal with short term expected guarantee calls.

Table 14. EFSD+ CPF appropriations, EUR million

	Up to 2025	2026	2027	Total
Budgetary commitment appropriations	5,472	1,895	2,085	9,452
Budgetary payment appropriations	3,294	1,947	2,270	7,512[92]

Risk assessment: Given that the ramp-up of the programme is still at an early stage, with the first operations signed in 2022, the surplus/deficit mechanism does not apply. However, the analysis performed through an existing credit risk model gives the following results at the desired 90% confidence level:

- **EIB Investment Window 1 and 2**: a lifetime VaR amount of EUR 2,593 million, corresponding to a risk-based provisioning rate of 9.8% hence slightly higher than the legal target provisioning rate (9% for IW1 and IW2).
- **Open Architecture and the EIB Investment Window 4**: a lifetime VaR amount of EUR 3,493 million at the 90% confidence level, corresponding to a risk-based provisioning rate of 46.3% hence slightly lower than the legal target provisioning rate (50% for OAW and EUR 750 million for EIB Investment Window 4, i.e. 50% of EFSD+ guarantee cover and 100% provisioning of guarantee cover due to ACP reflows coming in as external assigned revenue).

Based on expected call forecasts, no short-term liquidity issues are foreseen as arising with the available provisioning of the EFSD+ compartment. Commission services will continue to carefully monitor the build-up of risk in the EFSD+ portfolio to ensure consistency with the *ex-ante* risk appetite.

2.5.3. UIF COMPARTMENT

Table 15. UIF main characteristics, EUR million

Programme	Type of risk	Outstanding amount signed	Credit risk estimate	Legal Target provisioning rate	Legal target provisioning amount	Budgetary commitment appropriations
UIF	Debt	3,540	2,413	70%	2,478	5,460

The Ukraine Facility guarantee is designed to provide financing addressing the priorities outlined in the Ukraine Plan. The UIF has as objective to attract public and private investments for the recovery and reconstruction of Ukraine and to support its path towards EU accession. The UIF is equipped to deploy financial products totalling EUR 9.3 billion, with EUR 7.8 billion in guarantees and EUR 1.5 billion in blended finance. The programme is still in the ramp-up phase, the Commission having the possibility to conclude agreements with eligible counterparts until 31 December 2027. As of the end of December 2025, 8 UIF

[92] Remaining balance will be paid during the next MFF.

guarantee agreements have been signed with three different Implementing Partners totalling EUR 3.54 billion.

Table 16. UIF CPF appropriations, EUR million

	Up to 2025	2026	2027	Total
Budgetary commitment appropriations	1,911	1,638	1,911	5,460
Budgetary payment appropriations	600	800	4,060	5,460

The EU compartment of the UIF guarantee is underpinned by EU budgetary provisions with a target provisioning rate of 70% as stipulated by Article 32 in the Ukraine Facility Regulation[93]. The build-up of the provisioning in the CPF is planned until 31 December 2027 and may be constituted gradually to reflect progress in the selection and implementation of the financing and investment operations supporting the objectives of the Facility. As of 31 December 2025, the UIF guarantee CPF compartment held cash provisions worth EUR 614 million. The remainder of the provisioning foreseen is planned to be paid-in in the course of 2026 and 2027.

Risk assessment: Given that the ramp-up of the programme is still at an early stage, it is premature to draw conclusions about provisioning adequacy. However, the analysis performed by the existing credit risk model gives the following results at the desired 90% confidence level: a lifetime VaR amount of EUR 2,413 million. This corresponds to a risk-based provisioning rate of 68% thus in line with the Commission's *ex ante* risk appetite.

2.5.4. EXCEPTIONAL MFA UKRAINE COMPARTMENT

Table 17. Exceptional MFA UA outstanding exposures end 2025

Country	EAD[94]	Target provisioning rate 9% rate	Member State Guarantee
Ukraine	6,000	540	3,660

Table 18. Exceptional MFA UA - CPF compartment, EUR million

CPF Compartment	MtM	Book value	CPF MtM vs. legal target[95]		*De facto* PR
			EURm	%	%
Exc. MFA UA	511	491	-29	94.7	8.5

93 Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility.

94 Principal only, not including accrued interest.

95 EUR -29 million does not take into consideration the additional Member State guarantees equivalent to 61%.

As of the end of 2025, the total exposure from Exceptional MFA Ukraine amounted to EUR 6,000 million in notional terms. This exposure corresponds to a provisioning amount of EUR 540 million at the target provisioning rate (9% of signed amounts). The Union received Member State guarantees equivalent to 61% of outstanding amounts (or EUR 3,660 million) effectively capping the Union's exposure and covering the outstanding exposure at 70%.

2.5.5. POST 2020 FINANCIAL ASSISTANCE SUPPORT

Table 19. Post 2020 financial support - main characteristics, EUR million

Programme	Type of risk	Outstanding amount / EAD	Legal Target provisioning rate	Legal target provisioning amount
MFAs, WBF and MDF	Debt	3,193	9%	287

As of the end of 2025, the total exposure from MFAs, WBF and MDF loans backed by the post-2020 compartment amounted to EUR 3,193 million in notional terms, of which EUR 1,200 million loans exposures on Ukraine. This exposure of EUR 3,193 million corresponds to a provisioning amount of EUR 287 million at the target provisioning rate (9% of signed amounts).

Given that the ramp-up of the programmes is still ongoing with disbursement under the Facilities having just started and being planned until 2028, it is premature to draw conclusions about provisioning adequacy. Excluding Ukraine, the provisioning needs stand at EUR 150 million, for an outstanding exposure of EUR 1,993 million. This corresponds to a provisioning rate of 7.5%, below the 9% provisioning rate.

2.6. CONCLUSION

The overall provisioning available within the Common Provisioning Fund (CPF) remains adequate to cover short- and medium-term liquidity requirements arising from the Union's financial operations.

For fully constituted guarantees the deficit and surplus procedure is applicable and for both EFSD and EFSI substantial surpluses have been identified.

For programmes that remain in the ramp-up phase, including InvestEU, EFSD+, UIF and the financial assistance programmes adopted in the course of the current MFF, to Ukraine, the Commission continues to closely monitor the progressive build-up of both exposures and provisions within the relevant CPF compartments.

For the 2025 reporting period, the Commission concludes that the current provisioning framework remains fully compliant with the applicable regulatory requirements and consistent with the prevailing risk methodologies. Nevertheless, it will continue improving and assessing the adequacy of provisioning as the portfolio evolves and in the light of future developments affecting the underlying risk profile.

3. GLOSSARY

ABS	Asset Backed Security
AECID	Agencia Española de Cooperación Internacional para el Desarrollo
AEGF	African Energy Guarantee Facility
AFD	Agence Française de Développement
AgreenFi	Agricultural and Rural Finance Guarantee Programme
AIP	African Investment Platform
BDB	Bulgarian Development Bank
BGK	Bank Gospodarstwa Krajowego
BoP	Balance of Payment
CCS	Cultural and Creative Sector
CDC	Caisse des Dépôts
CDP	Cassa Depositi e Prestiti
COFIDES	Compañía Española de Financiación del Desarrollo
COSME	The EU programme for the Competitiveness of SMEs
COVAX	COVID-19 Vaccines Global Access
CPF	Common Provisioning Fund

DFI(s)	Development Financial Institution(s)
EaD	Exposure at Default
EaSI	EU Programme for Employment and Social Innovation
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECP	European Climate Platform
EDFI	European Development Finance Institutions
EEAS	European External Action Service
EFSD	European Fund for Sustainable Development
EFSD+	European Fund for Sustainable Development Plus
EFSI	European Fund for Strategic Investments
EFSI GF	Guarantee Fund of the European Fund for Strategic Investments
EFSM	European Financial Stabilisation Mechanism
EGRE NS	European Guarantee for Renewable Energy (Non-Sovereign)
EIB	European Investment Bank
EIF	European Investment Fund
ELM	External Lending Mandate

ERI	Economic Resilience Initiative
ERI TA	Economic Resilience Initiative Technical Assistance
ESIF	European Structural and Investment Funds
ESIF-EAFRD	European Structural and Investment Funds - European Agricultural Fund for Rural Development
EU	European Union
EUR	Euro
EURATOM	European Atomic Energy Community
EURIBOR	Euro Interbank Offered Rate
FI	Financial Instrument
FLP	First Loss Piece
FMO	De Nederlandse Financierings-maatschappij voor Ontwikkelingslanden
FR	Financial Regulation
GDP	Gross Domestic Product
GFEA	Guarantee Fund for External Actions
GREG	Guarantee Risk Experts Group

GTAG	Guarantee Technical Assessment Group
ICO	Instituto de Crédito Oficial
IFC	International Finance Corporation
IIW	Infrastructure and Innovation Window
InclusiFI	The EU Programme for Financial Inclusion
InnovFin	EU Finance for innovators
IMF	International Monetary Fund
KfW	Kreditanstalt für Wiederaufbau
LGF	Loan Guarantee Facility
MFA	Macro-Financial Assistance
MFF	Multiannual Financial Framework
MSME	Micro-, Small and Medium-sized Enterprises
MtM	Mark-to-Market
NDICI	Neighbourhood, Development and International Cooperation Instrument
NGEU	NextGenerationEU
NIB	Nordic Investment Bank
NIP	Neighbourhood Investment Platform

NPB	National Promotional Bank
NRB	Národní rozvojová banka
PC	Private Credit
PIP	Proposed Investment Programme
RDI	Research, Development and Innovation
RECIDE	Resilient City Development
RRF	Recovery and Resilience Facility
RRT	Residual Risk Tranche
SLP	Second Loss Piece
SME	Small and Medium-sized Enterprise
SMEG	Small and Medium-sized Enterprise Guarantee
SMEW	Small and Medium-sized Enterprise Window
SURE	Support to Mitigate Unemployment Risks in an Emergency
TA	Technical Assistance
TAU	Technical Assistance Unit from EIB
UIF	Ukraine Investment Framework
UN	United Nations

USD	United States Dollar

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