

DRAFT GENERAL BUDGET OF THE EUROPEAN UNION

Working Document Part X

financial year 2022

Financial Instruments

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#EUBUDGET

Budget

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DRAFT GENERAL BUDGET
of the European Union
for the financial year 2022

Working Document
Part X

**General Budget
of the European Union
for the Financial Year 2022**

Working Document Part X

Financial Instruments

The 2022 Draft Budget is accompanied by thirteen ‘Working Documents’, as follows:

Part I: Programme Statements of operational expenditure

Working Document I contains, pursuant to Article 41(3)(h) of the Financial Regulation, Programme Statements, which are presenting the 2021-2027 programmes and their performance framework, and provide details on the resources dedicated to each spending Programme for the period 2014-2020.

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 2019 – 2022 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 2022 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 2021, information on assigned revenue (implementation in 2020 and estimation for 2022), and a progress report on outstanding commitments (RAL) and managing potentially abnormal RAL (PAR) for 2020, 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 266(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(10) and (11) 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, Common Provisioning Fund and Contingent Liabilities

Working Document XII presents the implementation of Budgetary Guarantees, the Common Provisioning Fund and the assessment of the sustainability of the contingent liabilities arising from budgetary guarantees and financial assistance pursuant to Article 41(5) of the Financial Regulation.

Part XII: EU Trust funds

Working Document XII presents the activities supported by EU Trust Funds, their implementation and performance, pursuant to Article 41(6) of the Financial Regulation.

Part XIII: Payment schedules

Working Document XIII 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.

Table of Content

Introduction	5
Overview	6
1.1 The Connecting Europe Broadband Fund (CEBF) – CEF Equity Instrument.....	8
1.2 Connecting Europe Facility (CEF) – Debt Instrument	13
1.3 Private Finance for Energy Efficiency Instruments (PF4EE).....	17
1.4 Natural Capital Finance Facility (NCFF)	24
1.5 European Energy Efficiency Fund (EEEF).....	29
1.6 The 2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite).....	34
2.1 Horizon 2020 Loan Services for R&I Facility.....	38
2.2 Risk-Sharing Finance Facility under the FP7 (RSFF)	42
2.3 RSI (Pilot guarantee facility for R&I-driven SMEs and Small Midcaps) under FP7.....	46
3.1a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)49	
3.1b EaSI Capacity Building Investments (EaSI CBI)	56
3.2 European Progress Microfinance Facility (EPMF - G)	61
3.3a European Progress Microfinance FCP-FIS.....	66
3.3b Employment and Social Innovation Sub-Fund (EaSI FIS).....	71
3.4 Erasmus+ Student Loan Guarantee Facility	75
4.1 COSME Loan Guarantee Facility (LGF).....	80
4.2 COSME Equity Facility for Growth (EFG).....	85
4.3 SMEs & Small Midcaps R&I Loans Service under Horizon 2020 (Innovfin SME Guarantee).....	91
4.4 Equity Facility (early-stage capital) for Research and Innovation of Horizon 2020 (InnovFin Equity)95	
4.5 European Innovation Council Fund.....	99
4.6 Cultural and Creative Sectors Guarantee Facility (CCS GF)	101
4.7 SME Guarantee Facility (SMEG07) under the Competitiveness and Innovation Framework Programme (CIP)	105
4.8 High Growth and Innovative SME Facility (GIF) under the Competitiveness and Innovation Framework Programme (CIP).....	109
4.9 EU SME Initiative (focus on indirect Commission management part, i.e. COSME/H2020).....	114
5.1 The Western Balkans Investment Framework (WBIF)	118
5.1a Guarantee Facility I (GF I).....	120
5.1b Guarantee Facility under the Western Balkans EDIF II (GF II).....	124
5.1c Enterprise Expansion Fund (ENEF)	128
5.1d Enterprise Innovation Fund (ENIF)	132
5.1e Green for Growth Fund (GGF)	136
5.1f European Fund for Southeast Europe (EFSE).....	140
5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)	143
5.3 Facility for Euro-Mediterranean Investment Partnership (FEMIP).....	148
6.1 Neighbourhood Investment Program (NIP).....	154
6.2 Investment Facility for Central Asia (IFCA) & Asian Investment Facility (AIF).....	160
6.3 Latin America Investment Facility (LAIF).....	165

6.4 Thematic Blending (Energy, Food, Humanitarian, Environment).....	170
7 Glossary	178
8 Summary tables.....	181
8.1 Summary table internal policies	181
8.2 Summary table external policies.....	184
8.3 Summary blending.....	185
8.4 Internal policies aggregation EIB – EIF	186
8.5 External policies aggregation EIB – EIF	186
8.6 Blending aggregated data by managing party.....	187

Introduction

In accordance with Article 41(4) FR, where the Commission makes use of financial instruments, it shall attach to the draft budget a working document containing (WD) with information on each financial instrument. This is the third edition of the reporting under that provision.

This report covers the whole implementation period from the launch of a given financial instrument until 31 December of the reference year (for this report, the year 2020), and includes 36 financial instruments, which,

- (i) had a budgetary impact in terms of budgetary commitments or budgetary payments between its launch and 31/12/2020¹, and;
- (ii) are funded through the general EU budget².

The report covers financial instruments related to both internal policy actions (i.e. the benefiting recipients are predominantly located in the EU) and external policy actions (i.e. the benefiting recipients are predominantly located outside the EU).

The information of this Article 41(4) report will be consolidated in the Article 250 report. Indeed, pursuant to Article 250 of the Financial Regulation³ (FR) repealing Regulation (EC, Euratom) No 966/2012, the Commission is obliged to report annually to the European Parliament and to the Council on financial instruments in accordance with Article 41(4) FR

The information provided in the report for each individual financial instrument is structured in the 3 following sections:

- Part A: description;
- Part B: operational performance;
- Part C: financial information.

In the paragraphs below, it will be explained how the structure of this report covers the requirements of Article 41(4).

Part A. Description

Items of Article 41(4) covered:	<ul style="list-style-type: none">– (a): general description of the instrument, impact on EU budget, added value of the EU contribution.– (b): financial institutions involved in implementation.
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Part B. Operational performance

Items of Article 41(4) covered:	<ul style="list-style-type: none">– (c): contribution to the achievements of the programme.– (d): envisaged operations, target volumes, target leverage, leverage effect.– (k): performance of the financial instrument, investments realised, leverage achieved.
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¹ Hence, this report covers financial instruments launched during the 2007-2013 and 2014-2020 Multi-Annual Financial Frameworks.

² Instruments financed exclusively by the European Development Fund or other external sources are not included in this report.

³ Regulation (EU, Euratom) 2018/1046 of 18 July 2018 on the financial rules applicable to the general budget of the Union, Article 250.

<p>Items of Article 41(4) covered:</p>	<ul style="list-style-type: none"> – (a): impact on the budget, basic act. – (e): budget lines, aggregated budgetary commitments and payments. – (f) the average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years. – (g) revenues and repayments under article 209(3), presented separately, including an evaluation of their use. – (h): value of equity investments. – (i): provision for risk and liabilities, financial risk exposure. – (j): impairment of assets and called guarantees. – (l): balance on fiduciary account. – Last sub-paragraph: administrative expenditure and operating charges, in total and per managing party.
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Overview

The present report details the operational results of the Union’s financial instruments. The 24 financial instruments covering the so-called ‘internal policy’ actions (i.e. instruments whose beneficiaries are predominantly located in the EU) are presented under sections 1-4 that regroup the instruments covering the previous and current Multiannual Financial Framework (MFF) periods according to the four windows of the InvestEU programme 2021-2027.

Whilst taking into account that the 24 individual reports for internal policy actions cover a large variety of different financial instruments (equity and debt, loan guarantees and venture capital, capacity building and risk sharing facilities) and that they relate to several MFF periods, a number of aggregate figures will now be represented to give an idea of the general performance of the instruments concerned.

- At the end of 2020, the overall budgetary commitments made (i.e. the EU budget Contribution) for the 24 financial instruments stood at approximately **EUR 10,4 billion**.
- When including other sources of financing from the European Fund for Strategic Investments (EFSI) via top ups to Horizon 2020, COSME and EaSI, or from contributions from the European Structural and Investment Funds (ESIF) via Member States (SME initiative), the actual EU Contribution would increase to over **EUR 11 billion**.
- When adding to this EU Contribution of EUR 11 billion – also financing from other sources the total amount of ‘financing provided by financial intermediaries to final recipients’ would be just under **EUR 114 billion**. These figures suggest that the average leverage effect of the EU intervention is more than **10**. In other words, each euro invested by the EU budget in financial instruments has enabled on average more than 10 euros of financial support.
- When aggregating figures on ‘investments made by final recipients due to the financing received’, the total amount amounts to almost **EUR 200 billion**. This figures points at an average multiplier effect of more than **18**.

The figures above provide a snapshot of the situation at the end of 2020 and give a provisional indication of the performance of financial instruments on a large scale over a long period. This seems a good approach as financial instruments have a lifecycle spanning around 20 years, which implies that their financial and operational performance is only fully visible well after the programming period.

Whilst it is rather challenging to present the overall impact of the different financial instruments, notably also as the types of recipients vary greatly (from large companies to students), it is possible to identify positive results and derive noteworthy trends. For instance, when looking at the 7 active instruments targeting in particular SMEs (section 4 in the report), the figures suggest that **in 2020 alone about 166.000 SMEs and small midcaps in Europe** have been recipients of financial support. Over the period 2014-2020, the equivalent figure for the same instruments would be **over 766.000 SMEs and small midcaps**.

The report follows the structure of last year's report, which was already aligned to the four windows of the Invest EU Fund (2021-2027). This approach should allow for a meaningful assessment of the performance of financial instruments in the relevant policy areas. Using performance-based and measurable criteria will make it easier in the future InvestEU Fund to reinforce or reduce the importance of different financial products.

The report also covers the operational results of the Union's financial instruments and blending facilities for "external policy" actions. The 12 financial instruments and blending facilities are presented under sections 5-6. Based on the individual operation reports, these are some of the main elements to be highlighted.

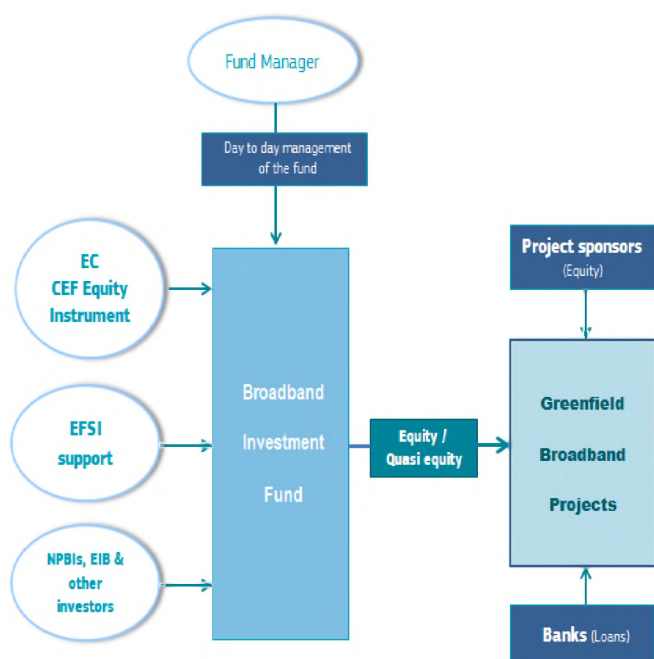
- At the end of 2020, the overall budgetary commitments made (i.e. the EU budget Contribution) for the 12 financial instruments (EUR 0,5 billion) and blending facilities (EUR 1 billion) stood at **EUR 1,5 billion**.
- When adding to this EU Contribution of EUR 1,5 billion – also financing from other sources the total amount of 'financing provided by financial intermediaries to final recipients' would be just under **EUR 5,5 billion**. These figures suggest that the average leverage effect of the EU intervention is almost 4. In other words, each euro invested by the EU budget in financial instruments has enabled on average 4 euros of financial support.
- When aggregating figures on 'investments made by final recipients due to the financing received', the total amount to more than **EUR 8 billion**. This figures points at an average multiplier effect of more than **5,5**.

A summary table aggregating financial information per financial instrument is included as Annex covering the same 24 instruments. Summary tables are also in Annex for external policies and for blending facilities.

1.1 The Connecting Europe Broadband Fund (CEBF) – CEF Equity Instrument

Description

Identification/Reference to the basic act			
Regulation (EU) No 1316/2013 of the European Parliament and the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129).			
Budget lines			
02.029907 Creating an environment more conducive to private investment for telecommunication infrastructure projects — CEF Broadband			
	2020	2021	2022
Budgetary commitment appropriations	-	-	-
Budgetary payment appropriations	8.539.263	12.500.000	18.000.000
Initial financial envelope:	EUR 100.000.000		
Current financial envelope:	EUR 100.000.000		
Overall financial envelope:	EUR 100.000.000		



General description:

The CEF Equity Instrument has established a financial instrument called the Connecting Europe Broadband Fund (hereafter, the ‘CEBF’ or ‘the Fund’). The CEBF was set up to meet the growing demand for financing of smaller-scale broadband projects across Europe, which currently do not have easy access to funding. This support will complement existing EU financial instruments for broadband development as well as other financing currently available on the market through private investors or private financial institutions. The CEBF also receives support under the European Fund for Strategic Investments (EFSI).

The CEBF has raised so far EUR 520 million for broadband investment and is expected to unlock total investments of EUR 1-1,7 billion.

The CEBF will invest in underserved areas where there are strong opportunities for profitability. Eligible countries are EU Member States, as well as Norway and Iceland. The main eligibility criteria for projects can be summarized as follows:

- Eligible projects (whether fixed line or mobile) should make a significant contribution to the achievement of the targets of the Digital Agenda for Europe (DAE), which means, at the minimum, the support to the

1.1 The Connecting Europe Broadband Fund (CEBF) – CEF Equity Instrument

connectivity necessary to achieve the DAE Target 2 (30 Mbps) and/or Target 3 (100 Mbps). Furthermore, in case of fixed line networks, minimum speed levels in line with DAE target 3 (100 Mbps) should be permanently available for at least one or several retail products out of the operator's commercial product offerings. Priority should be given to projects that facilitate the transition towards a European Gigabit Society by the deployment of networks upgradable to 1 Gigabit as well as to projects based on wholesale-only models.

- The Company will only invest in what is referred to as “greenfield” projects. These projects are defined as investments carried out by “start-up” companies or companies that have an asset base which is small compared to the cumulative investments planned for new assets.
- Eligible projects will deploy “state of the art technology” which means a technology, or a mix of technologies, whose performance features are comparable to the best-performing commercially available technologies.
- The projects are to be deployed predominantly in underserved areas, which would be typically classified as grey Next Generation Access (‘NGA’) networks (i.e. only one NGA network exists or is planned) and white NGA areas (no NGA network exists), for state aid purposes.
- An investment by the Fund will not exceed EUR 30 million for one project.

Implementation cycle:

The Fund is implemented under the CEF Equity instrument under direct management by the European Commission (DG CONNECT). The Fund is managed by an independent fund manager, Cube Infrastructure Managers (‘Cube IM’), which has been selected in a competitive selection process organized by the European Investment Bank (‘EIB’). Cube IM is a professional asset manager with extensive experience in infrastructure and, in particular, broadband investments in Europe. For alignment of interests, Cube IM has subscribed into the Fund for an amount of EUR 5 million.

The Fund has been launched on 27 June 2018 with EUR 420 million at first closing through commitments from:

- The EIB for EUR 140 million (out of which EUR 100 million are backed by the EFSI);
- The European Commission, via the Connecting Europe Facility (‘CEF’), for EUR 100 million;
- The German KfW for EUR 50 million;
- The Italian Cassa Depositi e Prestiti for EUR 50 million;
- The French Caisse des Dépôts for EUR 50 million;
- An additional EUR 25 million contributed by a European private investor; and
- Cube IM for EUR 5 million.

Two new closings occurred since then: one in July 2020 (with two new investors) and one on 17 May 2021 (with again two new investors contributing an additional EUR 50 million). The total commitments made to the Fund to date amount to EUR 520 million, effectively breaching the initial target set at the beginning of the project of EUR 500 million.

Operational Performance

The CEBF signed its first operation in January 2019. As at 31 December 2020, the Fund has

invested in seven projects for a total invested capital of EUR 48.251.890.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries *	100.000.000	100.000.000
Leverage	0,48	5,2
Multiplier effect	2,5	10
Envisaged operations	7	17
Financing provided by financial intermediaries to final recipients	48.251.890	0
Number of final recipients	7	17
Investments made by final recipients due to the received financing (minimum)	N/A	1.000.000.000

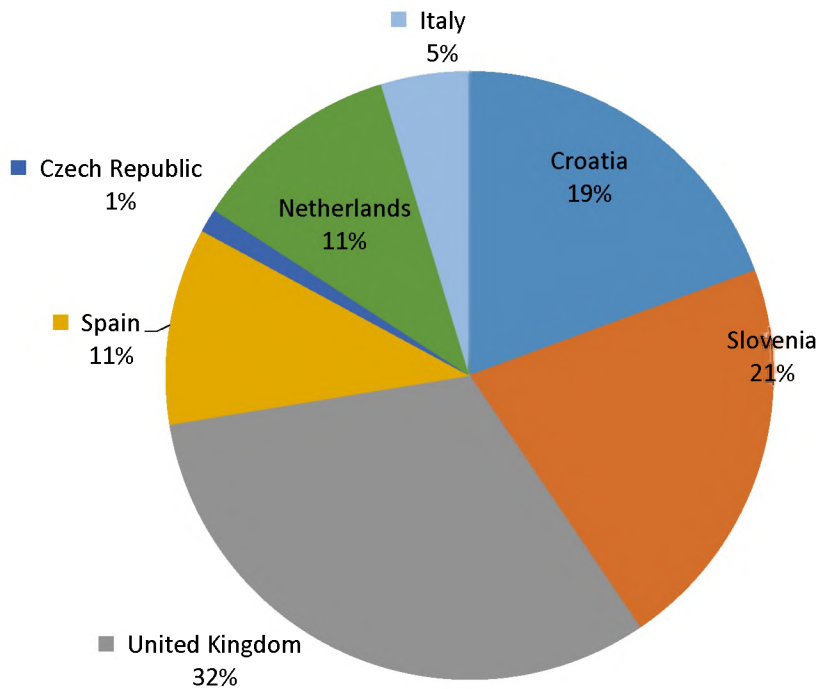
* This amount (EUR 100 million) only includes direct CEF funding. The CEBF receives additional EFSI support (EUR 100 million) via EIB's capital share.

Geographical diversification

The CEBF can invest in all EU Member States, as well as EEA Member States participating in CEF Telecom, namely Iceland and Norway. The project pipeline shows solid geographical diversification, as do the projects already signed by the Fund to date (1 project each in

Croatia, Slovenia, the United Kingdom*, Spain, the Czech Republic, the Netherlands and Italy).

* Project signed when the U.K was still an official member of the E.U.



Main issues for the implementation

As of today, the main issue lies in the difficulty for the European Commission in determining properly the amount of payment appropriations (PA) to be set aside for a given year (and all the more, for the foreseeable years on a monthly basis), due to the uncertainties linked to the ongoing developments of the project pipeline, in particular linked to the normal progress of the due diligence process applied by the fund manager. As such, projects are

constantly discarded due to specific issues arising during the negotiations with the project promoters (be it on the basis of the eligibility criteria, legal/administrative issues or the financial characteristics of the project), while others are regularly added based on ongoing market developments. That being said, this functioning of the Fund is perfectly normal and expected for this type of instrument.

Financial Information

	Notes	(in euros)	
		2020	2016-2020
Capital	1		
Fund's capital		470.000.000	
EU stake €		100.000.000	
EU stake % (equal treatment)		42,55	
EU Contribution	2		
Commitments		0	100.000.000
<i>of which to technical assistance</i>		0	0
Payments		8.539.263	18.270.193
Reflows	3		
Revenues		10.002	10.002
Repayments		1415.145	1415.145
Returned to the general budget		10.002	10.002
Returned to be used		1415.145	1415.145
Losses from operations	4		
Impairments		8.314.879	18.045.810
realised losses		0	-
Costs	5		
Management fees		1350.000	3.368.158
<i>of which to EIF</i>		0	0
		2020	2019
Risk exposure	6		
Financial risk exposure		81954.190	90.269.070
Value of equity investments		224.384	-
<i>investment at cost</i>		18.270.193	9.730.930
Fiduciary Account	7		
Balance		0	0

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

n/a

Notes on financial information

1. Fund's capital at first closing of EUR 420 million
2. Amount fully committed in 2016

For the number of envisaged operations, the fund can only invest for the first five years of its 20-year term, and a maximum of amount of EUR 30 million per project, hence 17 possible projects (as a minimum, though this size seems to be the amount committed for all four signed transactions to date). The figure from last year (31) was for the number of operations under due diligence at that time, not the foreseen total number of projects to be invested.

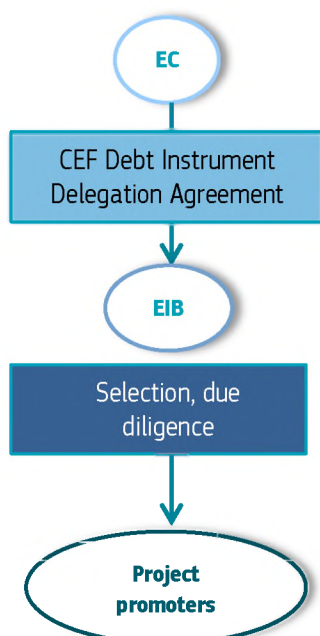
For the financing to recipients, for a target size of EUR 500 million, of which 5 years of management fees to be taken out (1.65% is the highest amount of those), then this would leave out roughly EUR 460 million for possible investments during the investment period (i.e., over the first 5 years).

1.2 Connecting Europe Facility (CEF) – Debt Instrument

Description

Identification/Reference to the basic act			
Regulation (EU) No 1316/2013			
Budget lines			
02.029905, 02.029906 and 02.029907 under the current nomenclature			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	57.991.229,16	1.587.989	0

Initial financial envelope: EUR 2.557.000⁴
 Current financial envelope⁵: EUR 755.000.000
 Overall financial envelope⁶: EUR 2.536.000.000⁷



Financing provided: **EUR 17,459 bn**
 Investment realised: **EUR 17,459 bn**

General Description

The CEF Debt Instrument was established through Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/210.

The CEF debt instrument aims to facilitate greater private sector involvement in the long term financing of transport, energy and telecommunication projects.

Duration

The CEF Debt Instrument implementation has been running since July 2015, when the Delegation Agreement with the EIB was signed. The last tranches of Union contribution to the CEF Debt Instrument can be committed by the Commission up to 31 December 2020. The signature of any new operations would have to be finalised by 31 December 2022.

The indicative termination date of operations can be much longer given the long project life spans of these infrastructure projects (e.g until 2040 or beyond).

⁴ Initial envelope available for CEF DI, as per Art.9 of CEF DI Delegation Agreement of 2015.

⁵ Committed amount.

⁶ This amount includes EUR 1 billion budget used to support the 2017 CEF Transport Blending Call.

⁷ The CEF Regulation allows for implementing projects with FIs, using up to 8.4% of the total CEF budget envelope.

Added value, final recipients and projects

The goal of the CEF Debt Instrument is to contribute to Trans-European Network (TEN) goals by addressing market failures.

All operations under the Debt Instrument are supported by a risk sharing mechanism with the EIB where the EU budget takes 95% to 100% of the first loss piece of the portfolio of such operations (100% only in the case of non securitisable financing). The first loss provisioning provided by the EU budget is shared among all projects in the three sectors covered by the CEF DI. This allows for higher diversification and hence maximises the number of projects that can be supported by the CEF Debt Instrument.

Financial institutions involved in implementation

The EIB is the entrusted entity for the CEF Debt Instrument.

Operational Performance

Contribution to the objectives of the programme

The CEF DI (both the products and budget) has been used effectively to deliver projects of EU added value. By the end of 2020, the CEF DI portfolio (including the legacy LGTT and PBI instruments) has grown to 30 projects⁸ in 13 Member States⁹ with:

Total investment realised¹⁰: EUR 17,459.92 million

Achieved leverage and multiplier effect¹¹: 23.12

The CEF Debt Instrument (CEF-DI) Delegation Agreement was amended in June 2019 in order to focus on green innovative investments, to ensure complementarity with the European Fund for Strategic Investments (EFSI) and to allow the absorption of unused NER 300¹² funds (managed by DG CLIMA) to be implemented through the CEF Debt

Instrument in the transport sector. The amended CEF-DI Delegation Agreement introduces the 'Future Mobility' financial product to support high-risk deployment of alternative fuels infrastructure, the roll out of innovative technologies and smart mobility services.

The CEF DI pipeline foresees the full exhaustion of the CEF DI budget and the reliance to NER300 contribution to cover upcoming eligible operations. The amendment of the Delegation Agreement resulted in an increase of the portfolio with operations covering the deployment of electric buses and electric-vehicle fleets; the installation of electric and hydrogen charging points; the development of innovative technologies and smart mobility services for port and rail terminals. The instrument benefits from a strong pipeline forward covering the above mentioned field.

Envisaged operations, target volumes based on targeted leverage effect

The cap on the use of the CEF debt instrument, after the establishment of the EFSI, has been set at 8.4% of the total CEF budget envelope.

Performance, target leverage effect and achieved leverage effect

The achieved leverage exceeds 20. This high leverage is reflective of the subordinated nature of the financing supported by the CEF DI for many of the projects in the CEF DI portfolio.

⁸ This figure include operations already fully reimbursed

⁹ 2 transactions in the United Kingdom were all signed prior to the UK's withdrawal from the EU (31.01.2020) and are therefore listed

¹⁰ Including a total volume of debt benefiting from partial coverage of the CEF-DI of EUR 1502 million.

¹¹ For infrastructure projects these numbers are the same

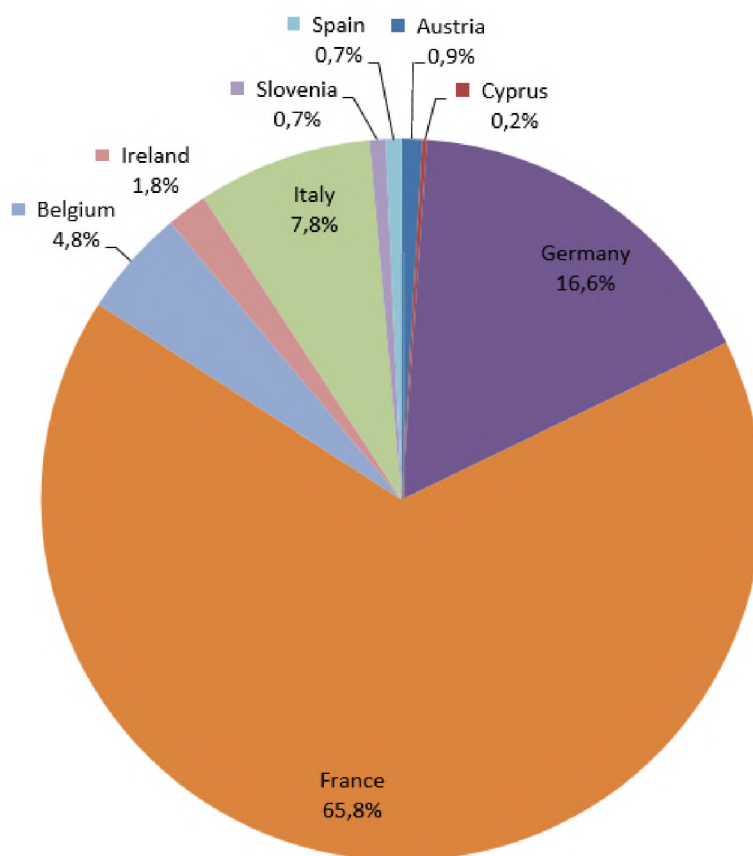
¹² EU ETS funding programme for innovative demonstration renewable energy and CCS projects

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	755,023,980	n.a.
Leverage	23,12	6 to 15
Multiplier effect	23,12	n.a.
Envisaged operations	30	n.a.
Financing provided to final beneficiaries	1,944,260,000	0
Number of final recipients	30	0
Investments made by final recipients due to the received financing	17,459,920,000	0

There will not be any more commitment to the CEF DI from the Commission in 2021, but additional eligible operations can be supported with budget from the NER300.

Geographical diversification

By the end 2020, the CEF DI portfolio (including the legacy LGTT and PBI instruments) comprised 30 projects in 12 Member States. The distribution of total project investments (EUR 17,459 billion) is as follows:



13

13 UK operations EUR 421 million

Main issues for the implementation

Due to the overlap in eligibility of the CEF Debt Instrument and EFSI, and the broader flexibility of eligibility criteria of the EFSI compared to the CEF, the CEF DI had initially performed below expectations. The CEF DI delegation agreement was subsequently amended to increase the complementarity between the CEF DI and the EFSI (amendment entered into force in 2019), and to implement contributions from unused NER300 funds. In the telecom sector, the entire commitment amount of EUR 17,5 million has been successfully mobilized in December 2020 to unlock a EUR 100 million EIB loan in support of a fiber rollout project in Slovenia. As regard the energy sector, the pipeline of operations remains however constrained.

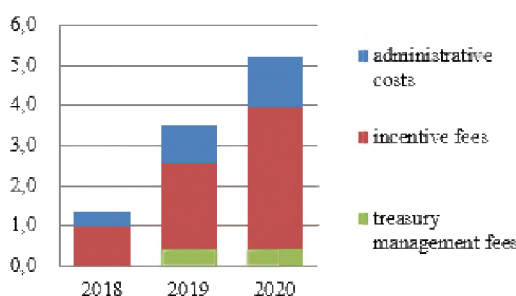
Financial Information

	Notes	2020	(in euros) [2007-2020]
Overall budget	1		
Financial envelope available			0
EU Contribution	2		
Budgetary commitments		0	755,023,980
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		0	6,881,251
Budgetary payments		57,991,229	755,023,980
Reflows	3		
Revenues		14,817,787	125,170,686
<i>interest income</i>		144,843	19,717,141
<i>risk remuneration, dividends, fees</i>		7,070,038	86,158,224
<i>realised gains</i>		7,599,945	18,661,151
<i>other revenues</i>		2,961	634,170
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		387,566	2,028,733
Returned to be used		8,411,293	46,317,729
Losses from operations	4		
Guarantees called		0	0
<i>guarantee calls recovered</i>		0	0
Equity			
<i>impairments</i>		N/A	N/A
<i>realised losses</i>		N/A	N/A
Costs	5		
Management fees		5,215,229	30,492,875
<i>administrative costs</i>		1,244,297	15,410,170
<i>incentive fees</i>		3,550,000	11,644,375
<i>treasury management fees</i>		420,932	3,438,330
Other operational and financial charges		252,353	48,871,886
<i>negative interest</i>		2,172	77,587
<i>foreign exchange losses</i>		0	0
<i>other charges</i>		250,181	48,794,299
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		578,768,439	683,733,806
Assets provisioned for risk and liabilities		768,253,336	707,801,628
Value of equity investments		0	0
Provisions for risk and liabilities		0	0
Fiduciary Account	7		
Balance in the fiduciary account		0	207,113
<i>in euro</i>		0	207,113
<i>in non-euro currencies</i>		0	0

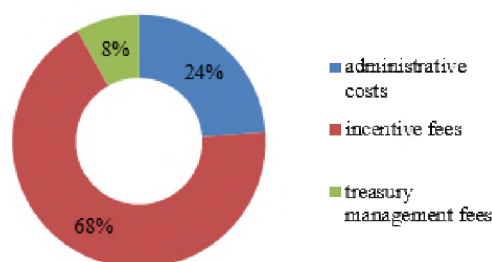
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)



Management fees 2020



Notes on financial information

3. In line with Regulation (EU) 2017/2396, a part of the revenues (up to EUR 125 million) generated by the CEF DI shall be assigned to [the Guarantee Fund of] the European Fund for Strategic Investments

1.3 Private Finance for Energy Efficiency Instruments (PF4EE)

Description

Identification/Reference to the basic act

Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Program for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007. The amended Commission Implementing Decision [C (2019) 891 final of 12/02/19 as amended by C (2019)7968 of 11/11/19] channelled 50M of the funds foreseen earlier in LIFE Multiannual Work Program for 2018-2020 to action grants and/or procurement. The Commission has committed the total amount of EUR 80M and for Phase II the total amount of EUR 25M into the PF4EE Instrument between 2014 and 2020. Therefore, no further amount will be committed into this instrument, unless specified otherwise in an Annual Financing Decision.

Budget lines

Article 34 02 01 — Reducing Union greenhouse gas emissions.

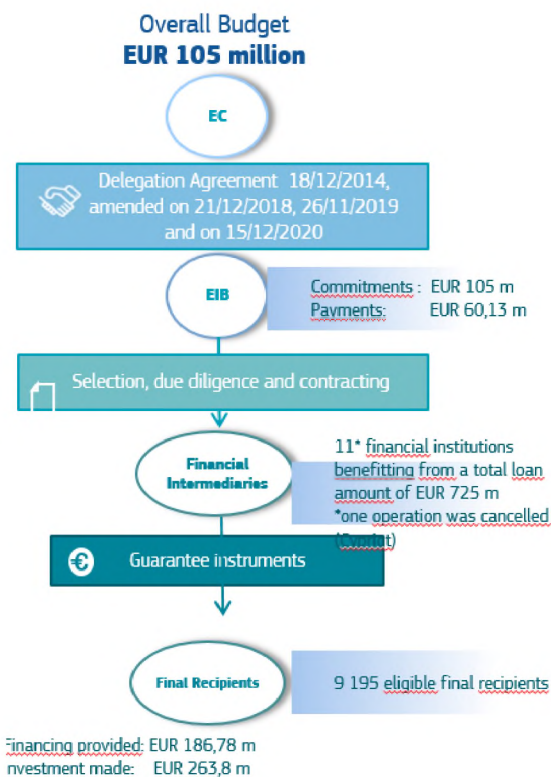
Article 34 02 02 — Increasing resilience of the Union to climate change

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	12 000 000	14 000 000	12 000 000

* This amount was committed in 2018 in a global commitment (L1). An individual commitment was created in 2019 following the signature of the Second Amended and Restated Delegation Agreement, authorised by a Commission Decision of 5 November 2019 notified under document C(2019)7882.

Initial financial envelope: EUR 80 000 000
Current financial envelope: EUR 105 000 000
Overall financial envelope: EUR 105 000 000

Implementation cycle - Policy objectives and scope



The LIFE programme is the EU's funding instrument for the environment and climate action, with a main objective to contribute to the implementation, updating and development

of EU environmental and climate policy and legislation by co-financing projects with European added value. Aside from providing action grants to projects and operating grants to non-governmental organisations, LIFE programme also developed financial instruments, such as Private Finance for Energy Efficiency Instrument (PF4EE).

PF4EE aims to help address market barriers by investing in projects that would not attract affordable financing because they are considered as too high risk. Therefore, its core objective is the deployment of energy efficient loans across Europe, increasing the availability of debt financing to support priorities set in the National Energy Efficiency Action Plans (NEEAPs) or the National Energy and Climate Plans (NECPs) of Member States. Thanks to the guarantee provided by the LIFE programme, the EIB can sign long-term loans with commercial banks that will enable them to finance final recipients at more favourable conditions. The final recipients include private individuals, home-owner associations, SMEs, corporates and/or public institutions/bodies.

Implementation arrangements

PF4EE is a guarantee instrument implemented under indirect management by the European Investment Bank. The delegation agreement (DA) was signed on 8 December 2014, and amended on 21 December 2018, 26 of November 2019 and 15 December 2020. The PF4EE Instrument has three components:

- a risk mitigation mechanism (the PF4EE Instrument Risk Sharing Facility or RSF) for Financial Intermediaries to partially recover losses they may incur in their energy efficiency loan portfolio;
- long term financing from EIB to fund the loans given by the financial institutions to finance energy efficiency investments; and
- an advisory component (the PF4EE Instrument Expert Support Facility or ESF), aimed at providing expert support to the Financial Intermediaries.

The initial EU budget allocation in the LIFE regulation for the programming period 2014-2017 amounts to EUR 80 million (the “Phase I”). This includes EUR 72 million for the guarantee, EUR 3,2 million (4%) for the ESF and up to EUR 4.8 million (6%) for the administrative and incentive fees.

An additional EUR 25 million has been allocated to PF4EE under the LIFE Multiannual Work Programme for the 2018-2020 (the “Phase II”). This includes EUR 21,5 million for the guarantee, EUR 2 million (8%) for the ESF and up to EUR 1,5 million (6%) for the administrative and incentive fees.

The design of the Risk Sharing Facility enables the Commission to provide credit risk protection to the Financial Intermediaries, by making cash collateral available to them in respect of the Final Recipients. The EIB loans complement the RSF, and are provided by the EIB at competitive rates and with long-maturities.

EU added value

The PF4EE Instrument contributes to meeting the general objectives of the LIFE Regulation as set out in its Article 3 and further specified in the priority area “climate change

mitigation”. In particular, the PF4EE Instrument:

- (i) Addresses a major climate policy issue, contributing to the achievement of the Europe 2020 objective to secure energy savings and the associated reduction in emissions;
- (ii) Provides the necessary level of piloting and demonstration of a new policy instrument, with major potential to deliver EU added value;
- (iii) Complements and supports Member States’ responsibilities under their National Energy Efficiency Action Plans (NEEAPs);
- (iv) Offers the potential to improve the cost-effectiveness of the LIFE Programme through leverage and complementarity;
- (v) Builds longer term capacity in a sustainable commercial finance activity thereby ensuring continuing and long-term support for sustainable development;
- (vi) Supports solidarity and burden sharing; and
- (vii) Offers the potential to mainstream the initiative into Member State programmes (through NEAAPs and potentially other programmes and initiatives in line with EU Directives relating to Energy Efficiency).

Duration

The Commitment Period for Phase I of the PF4EE Instrument ended on 31 December 2017, with the exception of Repayments, which may be re-used until 31 December 2022. The Commitment Period for Phase II ended on 31 December 2020, with the exception of Repayments, which may be re-used until 31 December 2022.

The Implementation Period, during which the EIB may commit the EU Contribution Committed, started on the signature of the Delegation Agreement (08/12/2014) and ended the 31/12/2019 for Phase I. For Phase II, the Implemented Period will end on 31 December 2022.

Operational Performance

The EU committed an initial amount of EUR 80 million under the LIFE Multiannual Work Programme 2014-2017 period (the “Phase I”). Due to evident demand, an additional EU 25 million has been allocated under the LIFE Multiannual Work Programme 2018-2020 (the “Phase II”) and committed. Therefore, the total EU committed under the PF4EE instrument is EUR 105 million.

By the end of 2019, 11 agreements have been signed with intermediary banks, under Phase I, for a total guaranteed sum of EUR 72 million utilised and an additional 1,55 million reutilised of which EUR 17,2 million were posted on cash collateral accounts. One agreement with Cyprus Cooperative Bank (CCB) has been cancelled after a merger with Hellenic Bank. No support activities for CCB were performed during the reporting period. Five applications have been received under Phase II, out of which three have been approved by the EIB in 2020 and expected to be signed within 2021.

Implementation of operations on the ground have started in seven countries. As at 31 December 2020, the total signed nominal amount of loan portfolios covered through collateral agreements reached EUR 186,78 million for ten operations (loans to 9 195 final recipients), which were at the basis of EUR 263,8 million of energy efficiency investments.

Since the signature of the first collateral agreement, investments supported by the PF4EE have generated primary energy savings of 336,25 GWh/year and have reduced the level of CO₂ emissions by 87 222 tons of CO₂.

Employment Creation

Since the signature of the first collateral agreement, 2 930 jobs were created at 31/12/2020 as a result of the Eligible Energy Efficiency Investments supported in the framework of the PF4EE Instrument. This represents an increase of 180% in the number of jobs created compared with prior year (2019: 1 635).

Financing provided

In 2020, the European Commission supplemented the fiduciary account with EUR 12 million, bringing the total EU Contribution paid to EUR 61 126 667. This amount includes the disbursement of EUR 17,2 million to the collateral agreements (which are paid in 3 tranches), the technical assistance (EUR 2 065 200.58) and the fees (EUR 4 573 108 – representing 4,35% of the EU Contribution (EUR 105 million). The balance in the PF4EE fiduciary account at 31/12/2020 was EUR 21 368 259.

Leverage effects

When PF4EE was designed, it was envisaged that the EIB Energy Efficiency Loans will leverage the EU Contribution to the PF4EE Instrument up to 6 times. The actual leverage at 31 December 2020 was 2,5 times and the amount of the EIB Energy Efficiency Loans was EUR 186 782 805.

The expected leverage of the EU Contribution is approximately EUR 430 million under Phase I and EUR 130 million under Phase II in long term financing through Energy Efficiency Loans to the participating financial institutions. EIB Energy Efficiency Loans may refinance up to 75% of the capital cost of Eligible Energy Efficiency Investments. The remaining part of the capital cost will be financed by the Financial Intermediaries and, generally, also by Final Recipients. This will result in an increased leverage of the EU Contribution to the PF4EE Instrument. Thus, the target Investment Leverage Effect is 8-fold. Approximately 6-10 operations were expected to be signed and another 3-5 operations for Phase II.

1.3 Private Finance for Energy Efficiency Instruments (PF4EE)

	<i>Actual</i>	<i>Target</i>
<i>Key figures</i>		
EU Contribution committed to financial intermediaries	73 500 000	93 500 000
Leverage	2.5	6
Multiplier effect	3.6	7.5
Envisaged operations	11	9-14
Financing provided by financial intermediaries to final recipients	186 782 805	560 000 000
Number of final recipients	9 195	1 167
Investments made by final recipients due to the received financing	263 802 231*	700 000 000

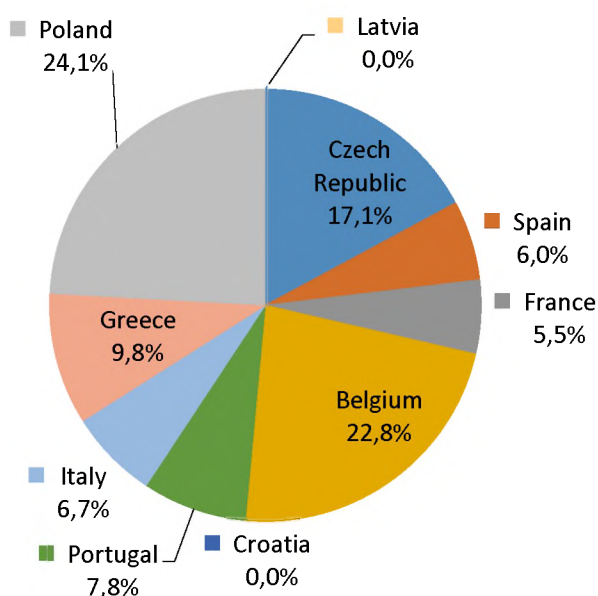
*Volume of private finance leveraged by Phase I and Phase II of the PF4EE Instrument

Geographical diversification

Geographical diversification of PF4EE is focused on the EU Member States. Under Phase II, a further geographical diversification will be sought, in combination with further deployment of ESCO structures, with a view to diversify the PF4EE instrument market coverage and bring additional positive social impact on the ground.

The Delegation Agreement was amended with a view to facilitate the deployment of the instrument. Main features include: eliminating the 15% funding limit per commercial bank, providing a longer time period (up to 60 months instead of 36 months) for the

commercial banks to sign loans with the final recipients and simplifying some of the reporting obligations. The PF4EE instrument will be in place for up to 20 years after the end of Phase II Implementation Period. The geographical distribution of investments made by final recipients (EUR 264 million) is depicted below. NB figures are not available for Cyprus (cancelled), Croatia and Latvia at present to reflect that the agreements with two banks were signed – hence no values appear below due to lack of operations since the signature of the agreement.



Main issues for the implementation

The deployment of the instrument has been much slower than initially expected. This is due to the combination of market factors, such as underdeveloped energy efficiency market, abundance of cheap loans, low capacity of the local banking sector to underwrite and sell new specialized and more complex products such as energy efficiency loans, ambiguity over possibilities to combine ESIF grants with EU-Financial Instruments. In addition, the lead-time for the EIB to roll-out of the expert support facility was much longer than expected. Overall reduced activity since March due to COVID-19.

In 2019, Komerčni Banka has made a guarantee call in order to cover losses for one of the Energy Efficiency Loans. As a result, the collateral agreement was reduced by EUR 88 212.

Moreover, with a view to enhance the actual implementation progress, the PF4EE team has performed several targeted actions (e.g. further development of the Expert Support Facility in order to enhance the origination capacity of the FIs, a market-driven geographical diversification in combination with enabling of Energy Service (ESCO) transaction structures. These actions have brought recently some very positive results in terms of the programme implementation, mainly in terms of appetite from new clients and ramping up of actual pipeline with some of the existing operations. By end-2020, the EE Investments has reached the level of circa EUR 264 million that represents a year-to-year increase of circa EUR 114 million.

Phase II is building up quite rapidly. All Phase II funds are expected to be allocated to (3-4) new operations, by Q2 2021 at the latest.

Country	Financial Intermediary	Date of Signature	Targeted Collateral (EUR)	Target Portfolio Size (EUR)
Germany / Ireland / Spain / France	Solas Sustainable Energy Fund	expected	8,000,000	160,000,000
Spain	Bankia S.A.	expected	6,000,000	75,000,000
Ireland	Avantcard D.A.C.	expected	4,500,000	30,000,000
Sweden	Hemma I Sverige A.B.	under appraisal	2,700,000	30,000,000
Total			21,500,000	295,000,000

Financial Information

	Notes	2020	2014-2020
<i>(in euros)</i>			
Overall budget	1		
Financial envelope available			105 000 000
EU Contribution	2		
Budgetary commitments		0	105 000 000
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		0	0
Budgetary payments		12 000 000	60 126 667
Reflows	3		
Revenues		199 550	402 668
<i>interest income</i>		0	0
<i>risk remuneration, dividends, fees</i>		199 550	402 668
<i>realised gains</i>		0	0
<i>other revenues</i>		0	0
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations	4		
Guarantees called		0	88 212
<i>guarantee calls recovered</i>		0	0
Equity			
<i>Impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		261 259	4 573 108
<i>administrative costs</i>		147 149	3 347 138
<i>incentive fees</i>		114 110	1 225 970
<i>treasury management fees</i>		0	0
Other operational and financial charges		555 018	2 504 048
<i>negative interest</i>		0	0
<i>foreign exchange losses</i>		381 429	381 429
<i>other charges</i>		173 589	1 958 449
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		72 011 788	72 011 788
Assets provisioned for risk and liabilities		53 679 730	43 513 184
Value of equity investments		0	0
Provisions for risk and liabilities		32 311 471	17 111 788
Fiduciary Account	7		
Balance in the fiduciary account		21 368.259	26 401 396
<i>in euro</i>		21 368.259	26 401 396
<i>in non-euro currencies</i>		0	0

Notes on Financial Information

Budgetary commitments

The EU committed an initial amount of EUR 80 million under the LIFE Multiannual Work Programme 2014-2017 period ("Phase I"). An additional EU 25million has been committed under the LIFE Multiannual Work Programme 2018-2020 ("Phase II"). Therefore, the total EU contribution committed amounts to EUR 105 million.

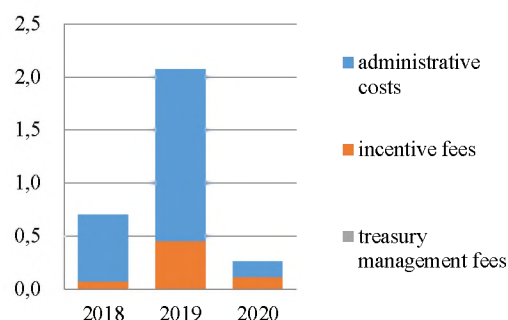
Budgetary Payments

In 2020, the European Commission supplemented the fiduciary account with EUR 12 million, bringing the total EU Contribution paid to EUR 61 126 667.

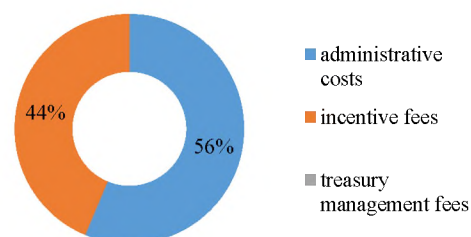
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

NA

Management fees 2018-2020 (in million)



Management fees 2020

*Revenue*

The revenue of EUR 199 550 (2019: EUR 115 236) represents collateral fee income provided by the financial intermediaries. The revenue is recycled and used for the same financial instrument.

Losses from operations

These are collateral amounts called to cover losses from operations incurred by the financial intermediaries (2020: EUR nil; 2019: EUR 88 212).

1.3 Private Finance for Energy Efficiency Instruments (PF4EE)

Management fees (administrative fees and incentive fees)

In accordance with Article 13.8 of the Fafa, the aggregate amount of administrative fees and the incentives fees will not exceed 6% of the EU Contribution Committed, i.e. EUR 6.3 million (6%* EUR 105 million). The administrative fee shall not exceed 4% of the EU Contribution Committed and the incentive fee shall not exceed 2% of the EU Contribution Committed.

As at 31 December 2020, EUR 261 259 (31 December 2019: EUR 1 615 346) are booked as fees to the EIB and are composed of administrative fees for EUR 147 137 (31 December 2019: EUR 965 957) and incentive fees for EUR 114 110 (31 December 2019: EUR 452 753).

Foreign exchange losses of EUR 381 429 are related to collateral amounts denominated in PLN. The Facility is indirectly exposed to foreign exchange risk through the covered portfolio denominated in non-EUR. Such foreign exchange risk is mitigated by the amount of the collateral available, which provides a cap for adverse foreign exchange movements and is hereby limiting the maximum exposure of the Facility.

Other charges - The amount of EUR 173 589 includes expenditure with the technical support provided to the financial intermediaries (EUR 164 170) and audit fees (EUR 9 419).

Maximum financial exposure

The maximum risk exposure is calculated as the total loan portfolio amount signed by the financial intermediaries covered through collateral agreements times the collateral cap percentage. The cash collateral is capped at maximum 16% of the expected losses in individual loan portfolio (maximum 20% covered loss multiplied by the collateral rate of maximum 80%).

Assets provisioned for risk and liability

The amount of EUR 53.7 million (2019: EUR 43.5 million) represents the total cash and cash equivalents (EUR 21.4 million) and the cash collateral accounts (EUR 32.3 million).

Fiduciary account

The balance in the fiduciary account is excluding the amounts already paid to the collateral agreements. The 2020 figure for assets provisioned for risk and liabilities is the sum of the balance in the fiduciary account and the collateral paid.

1.4 Natural Capital Finance Facility (NCFF)

Description

Identification/Reference to the basic act

Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007 (OJ L 347, 20.12.2013, p. 185), and in particular Article 17(1) thereof.

Budget lines

Article 07 02 02 - Halting and reversing biodiversity loss
Article 34 02 02 - Increasing the resilience of the Union to climate change

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	1.000.000	2.000.000	2.000.000

Initial financial envelope: EUR 60.000.000
Current financial envelope: EUR 60.000.000
Overall financial envelope: EUR 60.000.000

Implementation cycle:

The NCFF provides direct and indirect financing for natural capital investment projects. The financing may consist in loans or equity. It finances upfront investments and operating costs for revenue-generating or cost-saving projects which promote the conservation, restoration, management and enhancement of natural capital and contribute to the Union's objectives for biodiversity and climate change adaptation, e.g. through ecosystem-based solutions to challenges related to land, soil, forestry, agriculture, water and waste.

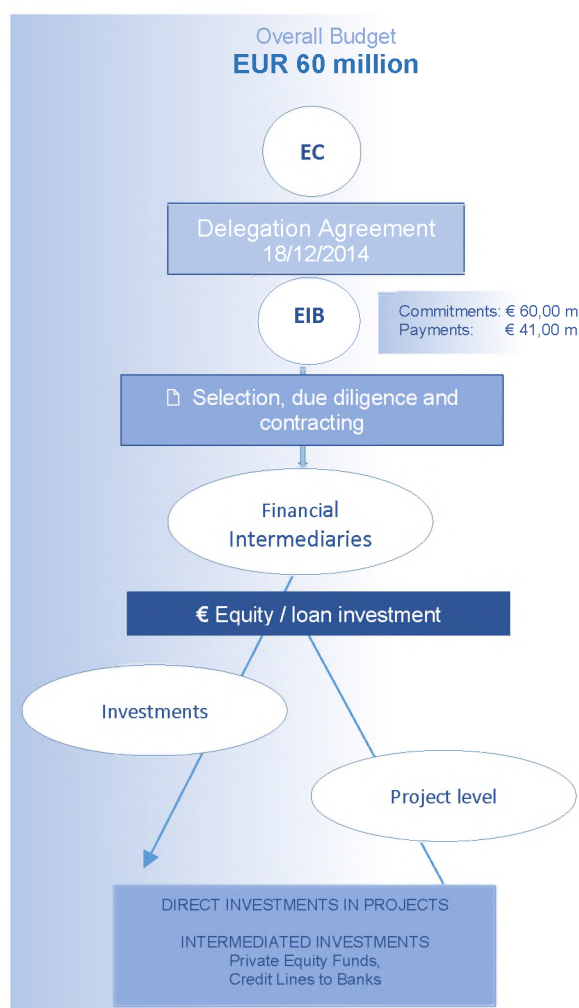
Implementation arrangements

The NCFF is a risk sharing financial instrument, which is implemented under indirect management by the European Investment Bank (EIB). The delegation agreement has been signed on 18 December 2014 and modified on 17 November 2017.

The EU budget allocation foreseen in the LIFE regulation for the programming period 2014-2017 amounts to EUR 60 million. That amount is split to EUR 50 million for the Investment Facility and EUR 10 million for the Technical Support Facility.

Duration

An amendment signed in October 2017 extended the implementation period of NCFF until and including 2021 and increased the maximum duration of contracts between the EIB and final recipients from 15 to 25 years, whilst keeping the possibility of a further 5 year extension if needed.



1.4 Natural Capital Finance Facility (NCFF)

Added value

The added value of the NCFF is that it addresses current market gaps and barriers for the private financing of projects in the field of biodiversity and climate change adaptation.

The aim is to establish a pipeline of replicable, bankable investments that will serve as a "proof of concept" and that demonstrate to private investors the attractiveness of such investments for the longer term. A further aim is to leverage

Operational Performance

Achievements

By the end of December 2020, the NCFF portfolio comprised seven operations were signed, out of which four direct loans, two indirect loan operations and one equity agreement for the Irish Sustainable Forest Fund.

In the reporting year, two loans with individual beneficiaries established in Poland and Belgium were signed. The loan in Poland will be used for extensive greening measures as part of a larger operation for the redevelopment of social housing blocks in the centre of Szczecin, implemented by a social housing association in the period 2019-2023. The objective is to improve biodiversity as well as the capacity of the land and the roofs to absorb and store rainwater. The loan to the Belgian entity will be used for wastewater treatment, nature-based solutions and various biodiversity-enhancing measures in water catchments and around utility infrastructure with an ultimate aim to reach river water quality suitable for the reestablishment of Pearl Mussels.

In 2020, the technical support facility supported two further potential operations.

Several further operations are expected to be signed in 2021.

funding from private investors for this pipeline of investments.

The NCFF supports projects that the EIB normally does not invest in, because they are too small, the time to ensure an investment return is too long, or the perceived credit risk of biodiversity and climate change adaptation investments is too high.

Targeted leverage effect

From the start, the total financing by the EIB under the NCFF has been aimed to reach EUR 100-125 million. An amount of EUR 120-240 million is the target aggregate amount of finance available to eligible final recipients supported by the Financial Instrument. This amount does not include the financing that eligible final recipients make available from their own resources.

The target leverage effect as indicated in the Delegation Agreement is 2-4 (EUR 120-240 million divided by EUR 60 million of Union contribution) over the lifetime of the financial instrument.

Key figures

	<i>Actual</i>	<i>Target</i>
EU Contribution committed to the EIB	60.000.000	60.000.000
Leverage	4,62	2-4
Multiplier effect	0,96	2,8
Signed operations	7	9-12
Financing provided to financial intermediaries	412.034.645	120.000.000
Number of final recipients	17	30
Investments made by final recipients due to the received financing	57.684.849	168.000.000

Geographical diversification

The aim is to invest in some 9 to 12 operations. The broad geographical coverage (EU Member States) is to enhance the effectiveness of the pilot phase.

The seven operations from the NCFF Investment facility amount to 39.633.679 EUR. They were signed with financial intermediaries from Ireland,

Croatia, Greece, France, Belgium and Poland. The support from the technical support facility amounting to 1.569.785 EUR concerns operations in Romania, Spain, Ireland, Finland and all over the Europe.

Main issues for the implementation

The key implementation issues to meet the aims and requirements of the facility remained:

- to identify and develop financially viable projects which have a positive impact on biodiversity and climate adaptation;
- to ensure sufficient uptake in a broad range of sectors, in view of future replicability.

Increased use of the Technical Support Facility has not yet led to an increase of signed operations in 2020. The deployment of the instrument has been much slower than initially expected. There remains a difficulty to develop financially viable projects that have a positive impact on biodiversity and climate adaptation. There is a low capacity of the local banking sector for co-financing, and insufficient uptake in a broad range of sectors. In addition, the lead-time for the EIB to develop projects was much longer than expected. The challenges relate to the typically small size of projects.

With a view to enhance the actual implementation progress, the NCFF team has performed several targeted actions, such as the development of a guide for NCFF-type of projects and their project developers on how to structure a project financially and legally with a simple guide.

The guide is helping project developers having a more informed discussion when approaching the EIB or another financial institution and on taking informed decisions on the structuring of their project.

This guide was also the basis and content for a dedicated communication action and webinar series in 2019 and 2020 that was jointly

organised by the EIB and the EU Business and Biodiversity Platform in 2020.

In addition, the EIB developed a ‘Case Study Handbook for Hybrid (Grey-Natural) Infrastructure Solutions’ with practical examples of hybrid infrastructure, i.e. infrastructure that integrates natural elements into ‘grey’ or ‘traditional’ infrastructure to achieve the objectives of the infrastructure. These actions have brought recently some results in terms of the programme implementation, mainly in terms of appetite from new clients and ramping up of actual pipeline with some of the existing operations. By end-2020, the NCFF Investments have reached the level of circa EUR 41 million.

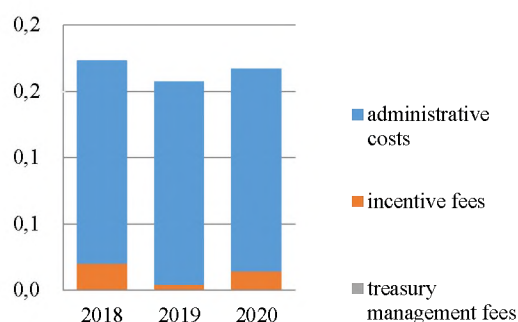
Financial Information

		(in euros)	
	Notes	2020	2014-2020
Overall budget	1		
Financial envelope available		60.000.00	0
EU Contribution	2		
Budgetary commitments		0	60.000.00
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		0	0
Budgetary payments		0	12.645.00
			0
Reflows	3		
Revenues		0	0
<i>interest income</i>		0	0
<i>risk remuneration, dividends, fees</i>		30.505	49.277
<i>realised gains</i>		0	0
<i>other revenues</i>		30.505	49.277
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations	4		
Guarantees called		0	0
<i>guarantee calls recovered</i>		0	0
Equity			
<i>Impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		167.057	1.385.269
<i>administrative costs</i>		153.061	1.346.938
<i>incentive fees</i>		13.996	38.331
<i>treasury management fees</i>		0	0
Other operational and financial charges		504.066	1,006,286
<i>negative interest</i>		0	0
<i>foreign exchange losses</i>		0	0
<i>other charges</i>		504.066	1,006,286
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		7.460.798	7.406.200
Assets provisioned for risk and liabilities		0	0
Value of equity investments		0	0
Provisions for risk and liabilities		0	0
Fiduciary Account	7		
Balance in the fiduciary account		10.547.662	10.993.24
<i>in euro</i>		10.547.662	10.993.24
<i>in non-euro currencies</i>		0	0

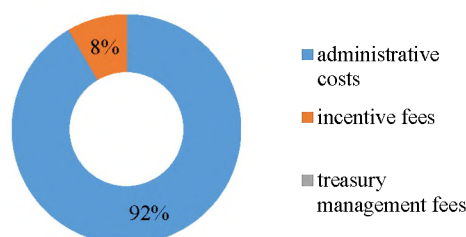
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

n/a

Management fees 2018-2020 (in million)



Management fees 2020

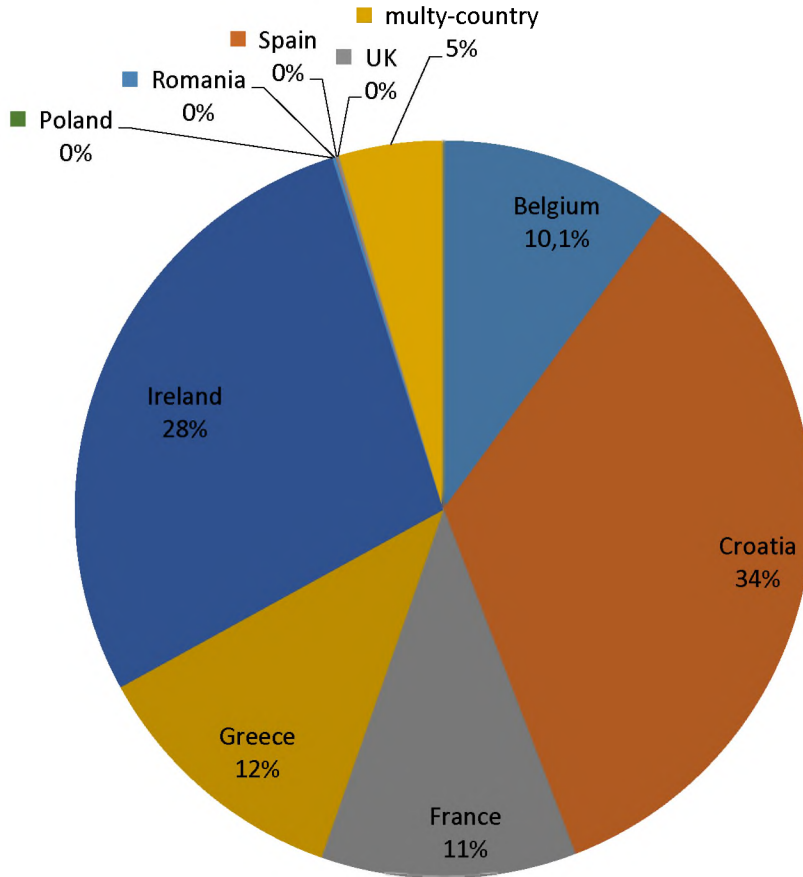


Notes on financial information:

1. See section operational performance above.
2. As of 31 December 2020, the EC committed EUR 60 million. A total of EUR 12,64 million of payments were made in the period 2014-20.
3. In 2020, NCFE announced two distributions that were executed in the form of loans for a total amount of EUR 5,26 million.
4. not applicable.
5. In 2020, the EC share of management fees was EUR 0,16 million, whereas 92% of the fees are administrative fees consisting of operational charges and financial charges (audit costs in relation to specific Brexit reporting requirements). The 'other operational and financial charges' refer mainly to financing projects under the Technical Support Facility
6. The maximum risk exposure amounts to 7.460.798 EUR. This is the maximum (capped) Commission liability in case of default of the underlying operations signed under the Facility.

Geographical diversification

Geographical diversification of NCFF is focused on the EU Member States. With next projects in a pipeline, a further geographical diversification will be sought. The geographical distribution of investments and technical assistance projects made by final recipients (EUR 41 million) is depicted below¹⁴.



¹⁴ Countries with 0% value do have operations with a value of less than 1%.

1.5 European Energy Efficiency Fund (EEEF)

Description

Identification/Reference to the basic act

Regulation (EU) No 1233/2010 of the European Parliament and the Council of 15 December 2010 amending regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy.

Budget lines

02 02 99 11 / 32 02 52 — Completion of energy projects to aid economic recovery

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Initial financial envelope: EUR 146.334.644,50

Current financial envelope: EUR 121.164.513,36

Overall financial envelope: EUR 121.164.513,36

The EEEF is an alternative investment company with variable capital governed by the laws of the Grand-Duchy of Luxembourg and incorporated in the form of a public limited liability company. It is registered with the Commission de Surveillance du Secteur Financier (the "CSSF") as a specialized investment fund (fonds d'investissement spécialisé) in accordance with the Luxembourg law of 13 February 2007 relating to specialized investment funds, as amended.

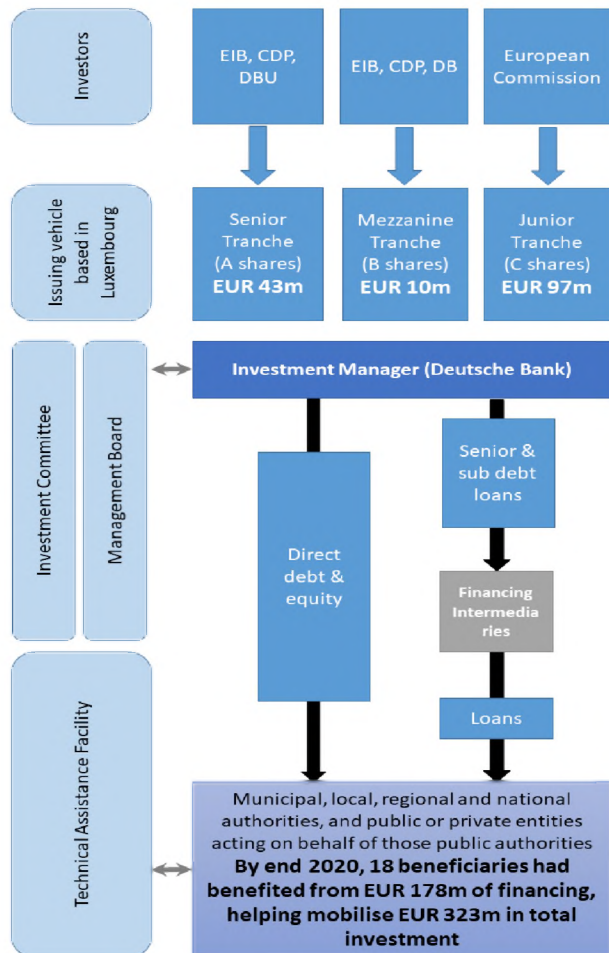
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt is difficult to report on in a meaningful way because the fund is open-ended and through time, investments are made increasingly from income and redemption proceeds, rather than from funds in the initial budgetary commitment. The fact that the Commission's shares have a redemption date in 2034 may also affect the evolution of legal commitments to projects until that date.

The added value of the Union contribution comes from the fact that the EEEF aims to support the climate goals of the European Union (EU 2030 framework for climate and energy and the climate-neutral objectives of the European Green Deal) to promote a sustainable energy environment and foster

climate protection by enabling projects in European cities, regions and communities to build resilient infrastructure.

The fund's policy direction is set by the Investment Guidelines. The fund is jointly managed by its shareholders who is principally the Commission and, until August 2020, also EIB and CdP.

1.5 European Energy Efficiency Fund (EEEF)



Implementation cycle

The period to allocate the EU contribution for investments ended in March 2014. The EU contribution amounts that were allocated during that period were disbursed by end 2015. No further contributions or payments are expected.

The EUR 21 million EC technical assistance facility was created together with the Fund and provided grants for project development services related to technical and financial preparation of projects. The EC technical assistance facility stopped functioning at the end of 2017 and was replaced by the EEEF Technical Assistance facility, the fund's own project development support platform. The EEEF TA facility has received ELENA funds, under the Horizon 2020 Programme of the European Union and builds on the experience gained from its predecessor facility. As of December 2020, it was supporting eight beneficiaries in Italy, Spain and Lithuania.

Operational Performance

The EEEF had successfully disbursed EUR 99,8 million of EU contribution to the allocated projects by the end of the investment period, providing innovative financing solutions to energy efficiency and renewable projects. As of 31 December 2020, nearly EUR 178 million has been allocated to 18 projects that have generated EUR 323 million of total investments. No losses have been incurred

since the inception of the fund, despite the variety of financing instruments and technologies financed. Two project loans have now matured, with the proceeds returned to the fund for reinvestment. The fund has paid dividends every year since 2013, including complementary dividends since 2015. Some of these dividends have partly financed the EEEF Technical Assistance facility.

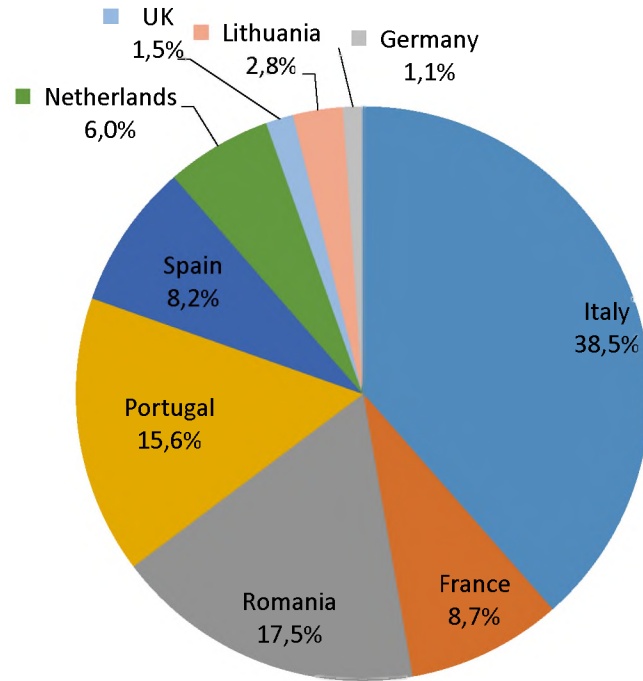
Key figures

	Actual	Target
EU Contribution committed to financial intermediaries	99.829.868	125.000.000
Leverage	1,78	N/A
Multiplier effect	3,24	N/A
Envisaged operations	N/A	N/A
Financing provided by financial intermediaries to final recipients	177.764.000	N/A
Number of final recipients	18	N/A
Investments made by final recipients due to the received financing	322.964.000	N/A

Geographical diversification

As of 31 December 2020, the EEEF have financed 18 projects in total. These projects can be split in two categories i) a group of 16 projects where the Fund is actively investing and ii) a group of 2 other projects, both located in France, where the EEEF investments have matured. The fund aims to further

geographically its diversify investments and to increase its role in the newer EU Member states. The geographical distribution to the 16 projects where the EEEF is actively investing EUR 142,7 million of financing is described in the chart below.



Main issues for the implementation

Experience with the EEEF is very useful to understand the dynamics of the energy efficiency sector:

- Financing instruments for sustainable energy need to be flexible, reflecting local market needs;
- The gap in capacity to develop and finance energy efficiency investments can be effectively tackled by the provision of project development assistance, which would enable the creation of a verified track record of the impacts of energy

efficiency investments, building the sector's credibility and investor confidence;

- EU-level instruments should address common barriers and market failures, while complementing national or regional schemes in place, avoiding duplication and avoiding crowding out private investments.
- From an operational point of view, the fund remains financially healthy but has continued to have its activity limited in

1.5 European Energy Efficiency Fund (EEEF)

- 2020 by capital constraints related to the planned redemption of the EIB's and CdP's senior tranche ("A") shares in August 2021. (N.b. Both investors will still retain their smaller "B" share holdings until 2026).
- In order to address this the fund has been actively seeking replacement investment, and in Q1 2020 received EUR 10 million of investment in A shares from DBU, its first external investor beyond the initial investors.
 - Further investment is sought to fund the 23 projects with a potential value of EUR 241 million that the EEEF indicates having in its pipeline of currently discussed projects.
 - The fund has also approved a conversion of legal form, which should have the effect of making it available to a wider pool of private investors.
 - The EIB has a wide range of project offerings, some of which fund similar projects to EEEF, and as such might have a limited conflict of interest, but there is no clear evidence that this has disadvantaged the fund.
- Covid 19 has not significantly delayed the implementation of the fund's new projects, given that the fund's activities are limited due to aforementioned financial constraints related to EIB and CdP.
 - In 2020, EEEF funded two new projects: Dancer in Lithuania received EUR 4 million for an electric bus project, and Vila do Conde in Portugal received EUR 5.1 million for a street lighting upgrade project.
 - Examples of some key successful projects include in 2015 a EUR 9,2 million forfaiting loan to the city of Santander in Spain to upgrade existing street lighting. In 2013, in Italy, a EUR 31,8 million senior loan and VAT facility to Progetto ISOM for the upgrade of the University Hospital S. Orsola-Malpighi, and in 2018 a EUR 16 million equity investment in the JV Illuminated Cities with Siram by Veolia for a portfolio of investments.

Financial Information

	Notes	(in euros)	
		2020	2011-2020
Capital	1		
Fund's capital		-	150.091.798
EU stake €		-	97.044.399
EU stake % (C shares)		-	64,66
EU Contribution	2		
Commitments		-25.170.132	121.164.513
of which to technical assistance		0	21.334.645
Payments		0	116.203.765
Reflows	3		
Revenues		0	0
Repayments		4.498.415	7.110.674
Returned to the general budget		0	2.612.258
Returned to be used		4.498.415	4.498.415
Losses from operations	4		
Impairments		0	0
Realised losses		0	0
Costs	5		
Management fees		2.279.375	19.239.317
of which to EIF		0	0
		2020	2019
Risk exposure	6		
Financial risk exposure		104.386.701	106.317.753
Value of equity investments		104.386.701	106.317.753
investment at cost		97.044.383	97.044.383
Fiduciary Account	7		
Balance		0	0

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A (See Description section)

Notes on financial information

1. Total commitment by all investors, of EUR 140.091.798 with DBU's EUR 10 million in 2020 investment added. Net assets attributable to holders of redeemable ordinary C shares. Source: 2019 Annual Report.

2. Payments include EUR 99.829.868,36 paid for the Fund and EUR 16.373.896,98 for the EC technical assistance facility.

3. The balance of the TA Trust account, (see footnote 7) of EUR 4.498.415,32 (pre financings) was returned to the Commission's budget as assigned revenue in late 2020, since this account was no longer needed.

5. Source: Unaudited 2021 budget as approved at the 23 February Board of Directors has 1.779.375 EUR for 2020 management fees

composed of custodian, investment management and carbon fee (fixed fee for the setup and management of a CO2 reduction-monitoring platform), with a Performance fee likely to be about 0,5 million EUR extra. Cumulated figures updated as per final audited 2019 Annual Report, and missing performance fees for 2018 and 2019.

6. Source: Final audited 2019 Annual report and Holdings Statements of Account, as of 31 Dec 2020.

7. Two Trust accounts were created for EEEF: The Fund Trust account and the Technical Assistance (TA) Trust account. Only the Fund Trust account is a fiduciary account as defined in the Guidelines for the preparation of the report on Financial Instruments Articles 41(4) of the revised Financial Regulation (FR). Therefore, the reported balance excludes the balance of the Technical Assistance (TA) Trust Account.

The Fund Trust account was credited with the part of the EU contribution to be used for the Fund as well as interest earned and debited with the payments of EU Contribution to the Fund. Its balance on 31/12/2019 was zero. The account was closed early in 2020.

The TA Trust Account was credited with the part of the EU Contribution to be used for the technical assistance, interest earned, and funds recovered from technical assistance. The account was debited with payments of EU Contribution to eligible costs for technical assistance, external audit costs, funds to be returned to the Commission and the technical assistance management fee. Its balance of EUR 4,498 million was returned to the Commission in late 2020, the account was closed in early 2021.

1.6 The 2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite)

Description

Identification/Reference to the basic act			
Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks (OJ L 162, 22.6.2007, p. 1). Commission Decision C(2010) 941 of 25 February 2010 on European Union participation in the 2020 European Fund for Energy, Climate Change and Infrastructure (the Marguerite Fund).			
Budget lines			
Article 02.029906 — Completion of previous "Connecting Europe Facility (CEF) — Transport" programmes (prior to 2021)			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	228.000	0	0

Initial financial envelope: EUR 80.000.000
 Current financial envelope¹⁵: EUR 71.909.749
 Overall financial envelope: EUR 71.909.749

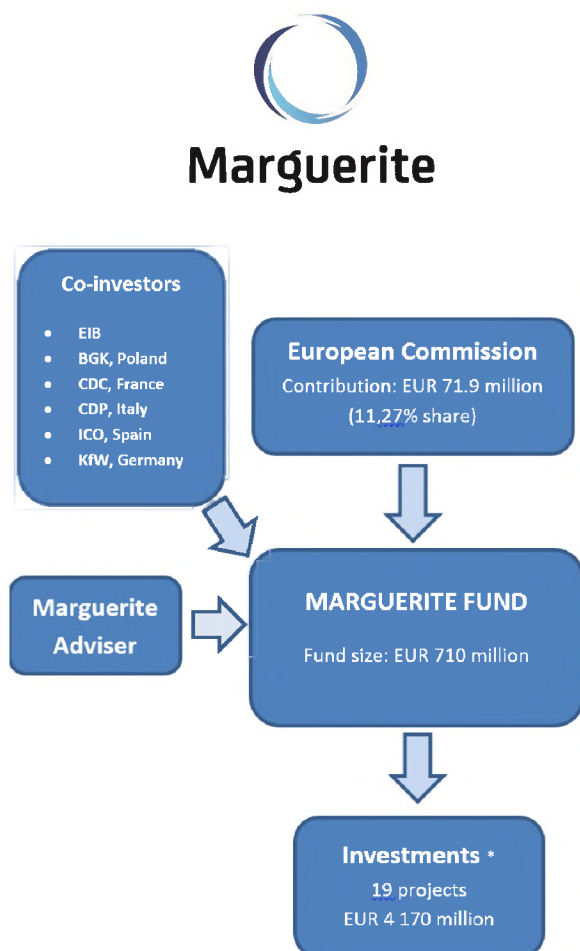
General Description

The Marguerite Fund is an equity fund based in Luxembourg, focused on investing in infrastructure projects and companies in transport, energy and mature renewable energy.

The Marguerite Fund was set up in 2010 with an initial fundraising objective of EUR 1 500 000 000. The final size of the Marguerite Fund was EUR 710 000 000 (final closing occurred on 31 December 2012). The maximum maturity of the Fund has been set at a term of 20 years from the start of the initial closing (3 December 2009), but may be extended for up to two additional one-year periods (up to December 2031).

The overall objective of the Marguerite Fund is generating a long-term rate of return on the investments made and attracting private investors as well as public investors. However, the final shareholding in the fund itself, was limited to public sector investors whereas private investment was mobilised at the level of the projects financed by the fund.

The Commission directly manages its investment in the Marguerite Fund; there is no delegation or sub-delegation agreement to any entrusted entity. The investment in the Fund is managed by DG ECFIN through a cross-delegation from DG MOVE.



¹⁵ The initial EUR 80 million commitment was reduced to EUR 71,9 million in 2018 following the end of the investment period

* In total EUR 4.17 billion was mobilised at the end of the investment period.

The contributions are paid directly hence no trust account is established. The Commission is a pari-passu investor with a 11,27% stake, together with the EIB and five¹⁶ national promotional banks (“core sponsors”, each of them having a 14% stake).

The Investment Adviser "Marguerite Adviser S.A." employs the Advisory Team and provides investment advisory services to the Fund under an Advisory agreement. Marguerite Investment Management S.A. is a wholly-owned entity of the Marguerite Adviser S.A. and is responsible for the Fund valuation, portfolio management and risk management.

Added Value

By investing in Marguerite, the Commission has been able to achieve a high multiplier effect on the investment made. Moreover, the Fund was managed on market terms and ensured an adequate return to the investment deployed, thereby increasing the effectiveness and efficiency of the budget as a whole.

Marguerite Fund demonstrated that public financial institutions, along with the Commission, can co-invest in an equity fund that operates on market terms and is considered as a credible investor by other players in the market. The experience of the Commission contribution to the Marguerite Fund also increased its understanding of investment in equity funds.

The Fund's focus on investing in greenfield projects was an important differentiating factor from other infrastructure funds which had a greater interest for investing in brownfield projects. In addition, Marguerite has been able to close deals in, at the time, undeveloped infrastructure markets such as Croatia for TEN-T and Poland and Romania for waste-to-energy and onshore wind.

Main issues for the implementation

Project Aeolus (Poland) which remains in the portfolio of Marguerite Fund is underperforming hence the value of that asset has been partially written off.

Marguerite Fund reported a limited COVID-19 impact on the overall portfolio. However, negative operational impact is observed for two airport investments (Fraport Greece and Zagreb Airport) due to very strong negative impact on air traffic.

¹⁶ Five core sponsors are : Bank Gospodarstwa Krajowego, Poland (BGK); Caisse des Dépôts et Consignations, France (CDC); Cassa Depositit e Prestiti, Italy (CDP); Instituto de Crédito Oficial, Spain (ICO); Kreditanstalt für Wiederaufbau Germany (KfW).

Operational Performance

As of end December 2020, the Marguerite portfolio comprises of 7 projects based in 6 Member States. It represents a total equity commitment EUR 297 million.

By the end of the investment period term as of 31 December 2017, the Marguerite Fund has:

- been fully invested
- respected the objectives of diversification of the portfolio

- made more than 85% of the investments in the Core Sectors
- invested more than 65% of commitments in Greenfield projects

Achievements

In total, the Fund invested in 19 projects in 13 Member States. It represented a total equity commitment by the Fund of EUR 751 million.

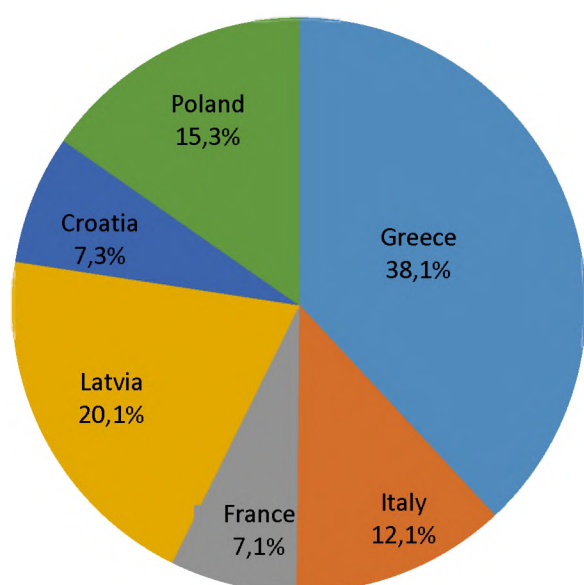
In total EUR 4,17 billion was mobilised at the end of the investment period.

Key figures

	Actual	Target
EU Contribution committed to financial intermediaries	71.909.749	80.000.000
Leverage	10,44	18,75
Multiplier effect	58	49,31
Envisaged operations	n/a	20-30
Financing provided by financial intermediaries to final recipients	751.000.000 *	1.500.000.000
Number of final recipients	19 **	20-30
Investments made by final recipients due to the received financing	4.170.000.000	3.945.436.872

* The closing of the Fund in 2012 was concluded at EUR 710 million compared to the initial target of EUR 1.5 billion which was a market potential based on the 2009 ex-ante market analysis. The evolving market situation and the specificity of the Fund's governance structure, notably the weight of public investors, limited its capacity to attract private sector investment in the Fund.

** The current number of final recipients is seven as shown in the table below. In 2020, two projects were sold.



Geographical diversification

The Fund invested in a geographically diversified portfolio of investments accounting for EUR EUR 751 million throughout the EU (in a total of 13 Member States) with particular regards to the needs of, and opportunities in, new EU member states (5 in EU-13 member states). The remaining equity commitments that are currently in the Fund's portfolio account for EUR 297 million and are distributed as shown in the chart.

Financial Information

		(in euros)	
	Notes	2020	2009-2020
Capital	1		
Fund's capital		624.106.000	
EU stake €		70.321.760	
EU stake % (equal treatment)		11,27%	
EU Contribution	2		
Commitments		0	71.909.749
<i>of which to technical assistance</i>		0	0
Payments		228.000	70.321.760
Reflows	3		
Revenues		0	0
Repayments		11.943.662	56.125.196
Returned to the general budget		0	0
Returned to be used		19.366.192	25.000.000
Losses from operations	4		
Impairments		0	0
Realised losses		0	0
Costs	5		
Management fees		401.881	7.103.318
<i>of which to EIF</i>		0	0
		2020	2019
Risk exposure	6		
Financial risk exposure		44.611.200	53.790.185
Value of equity investments		44.611.200	53.790.185
<i>investment at cost</i>		14.196.564	25.912.226
Fiduciary Account	7		
Balance		0	0

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

n/a (funds fully invested in 2017)

Notes on financial information

1. See section operational performance above.
2. As of 31 December 2020, the Commission committed EUR 71,9 million (reduced from initial EUR 80 million commitment) and paid EUR 70,3 million. A payment of EUR 0,23 million was made in 2020.
3. In 2020, the Commission recovered three Marguerite Fund distributions totalling EUR 11 943 662.

The total recovered distributions up to end 2020 amount to EUR 56 125 196. Out of total recovered amount, EUR 25 000 000 were already paid for provisioning of the EFSI Guarantee Fund. The remaining amount of EUR 31 125 195 is temporarily recorded on a waiting account. Of this amount, 25% of the total commitments (EUR 18 million) are blocked for a period of three years in view to cover potential claims to the Fund. The remaining amount of EUR 13,1 million is

envisaged to be transferred to other financial instruments (Public Sector Loan Facility).

5. The management and advisory fees cover the operating and administrative expenses of the Investment Adviser and the Investment Fund Manager. They are capped at 1% of the total commitments during the investment period (i.e. until 31/12/2017) and at 1% of investment acquisition cost after the investment period. Management costs i.e. - advisory and operating and investment fees are fully paid out of the assets (revenues) and are not a separate cost position.

In 2020, the EC share of management and operating fees was EUR 0,4 million¹⁷. The total aggregate amount of EUR 7,1 million refers to the EC share of such costs¹⁸ since the set-up of the Fund.

6. In 2020, we estimate the financial risk exposure to be at EUR 44,6 million. The financial risk exposure equals to the EC share (11,27%) of the Fund's net assets at fair value.

In addition, the investment at cost was EUR 14,2 million (EUR 70,3 million total payments deducted by distributions of EUR 56,1 million).

¹⁷ This figure is based on unaudited accounts.

¹⁸ These figures are retroactively adjusted. The adjusted cumulated management and advisory fees as of 31/12/2019 amount to EUR 6 701 437 (reported last year: EUR 11 686 359).

2.1 Horizon 2020 Loan Services for R&I Facility

Description

Identification/Reference to the basic act			
Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/104, 20.12.2013)			
Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" (OJ L 347/81, 20.12.2013)			
Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/965, 20.12.2013).			
Budget lines			
02 02 99 03			
	2020	2021	2022
Budgetary commitment appropriations	107.000.000	0	0
Budgetary payment appropriations	60.000.000	0	283.800.000

Initial envelope: EUR 1.060.000.000
 Current financial envelope: EUR 1.981.100.000
 Overall financial envelope: EUR 1.981.100.000

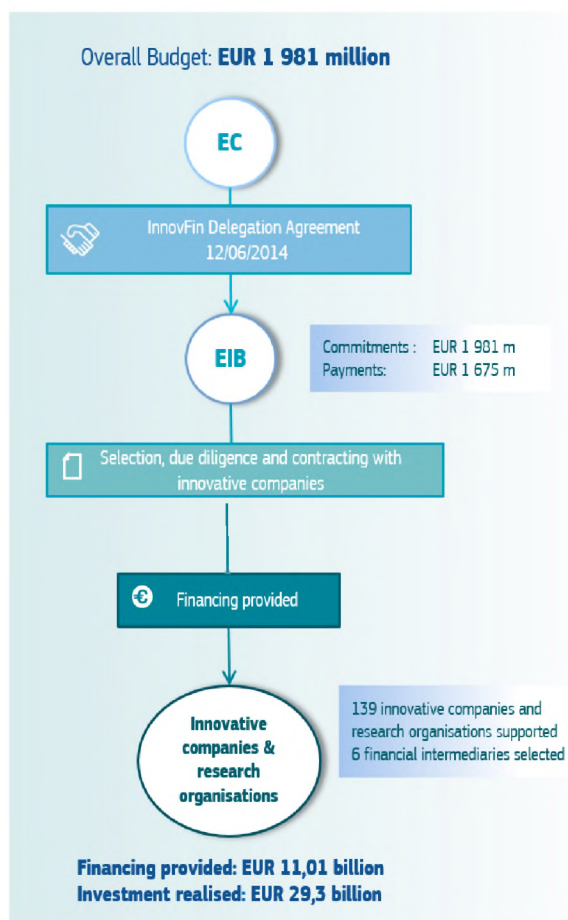
Implementation cycle:

The Horizon 2020 Loan Services for R&I Facility (branded InnovFin) aim is to improve access to risk finance for R&I projects carried out by a variety of promoters including notably medium and large midcaps, larger companies, universities and research institutes, R&I infrastructures and special-purpose vehicles located in Member States or in Associated Countries.

This instrument helps addressing riskier projects or sub-investment grade promoters carrying out RDI investments across all Horizon 2020's Societal Challenges. A particular approach is foreseen to address the financing needs of midcap companies (with employees between 500 and 3 000 employees).

The InnovFin facility offers better access to risk finance in an open, demand-driven way through direct loans or hybrid/mezzanine investments made available by the EIB as well as through risk-sharing (guarantees) involving other banks and financial intermediaries.

The InnovFin facility covers a broad spectrum of final recipients with a flexible loan financing approach, and the set of thematic products are complemented by a dedicated guarantee facility for loans and leases for innovative SMEs and Small Midcaps.



2.1 Horizon 2020 Loan Services for R&I Facility

The funding of the Loan and Guarantee Service for Research and Innovation has two main components:

- demand-driven, providing loans and guarantees on a first-come, first-served basis, with specific support for final recipients such as SMEs and mid-caps. This component responds to the steady and continuing growth seen in the volume of Risk Sharing Finance Facility lending, which is demand-led. This demand-driven component is supported by the budget of the Horizon 2020 Access to Risk Finance programme.
- Targeted, focusing on policies and key sectors crucial for tackling societal challenges, enhancing competitiveness, supporting sustainable, low-carbon, inclusive growth, and providing

environmental and other public goods. That component helps the Union address research and innovation aspects of sectorial policy objectives and is supported by other parts of Horizon 2020, other frameworks, programmes and budget lines in the Union budget, particular regions and Member States that wish to contribute with their own resources (including through Structural Funds) and/or specific entities (such as Joint Technology Initiatives) or initiatives.

Duration:

The facility is planned to last until 31 December 2033 (until the last operations will be wound down).

Operational Performance

As of 31/12/2020, 130 InnovFin operations in Member States and 17 in Associated Countries to Horizon 2020 or the UK have been signed for a total financing amount of EUR 11 011 million which has triggered investment by final recipients amounting to EUR 29 279 million. For 2014-2020, the EU contribution of EUR 1 981 million was targeted to mobilise an amount of financing of EUR 17 830 million for the target final recipients.

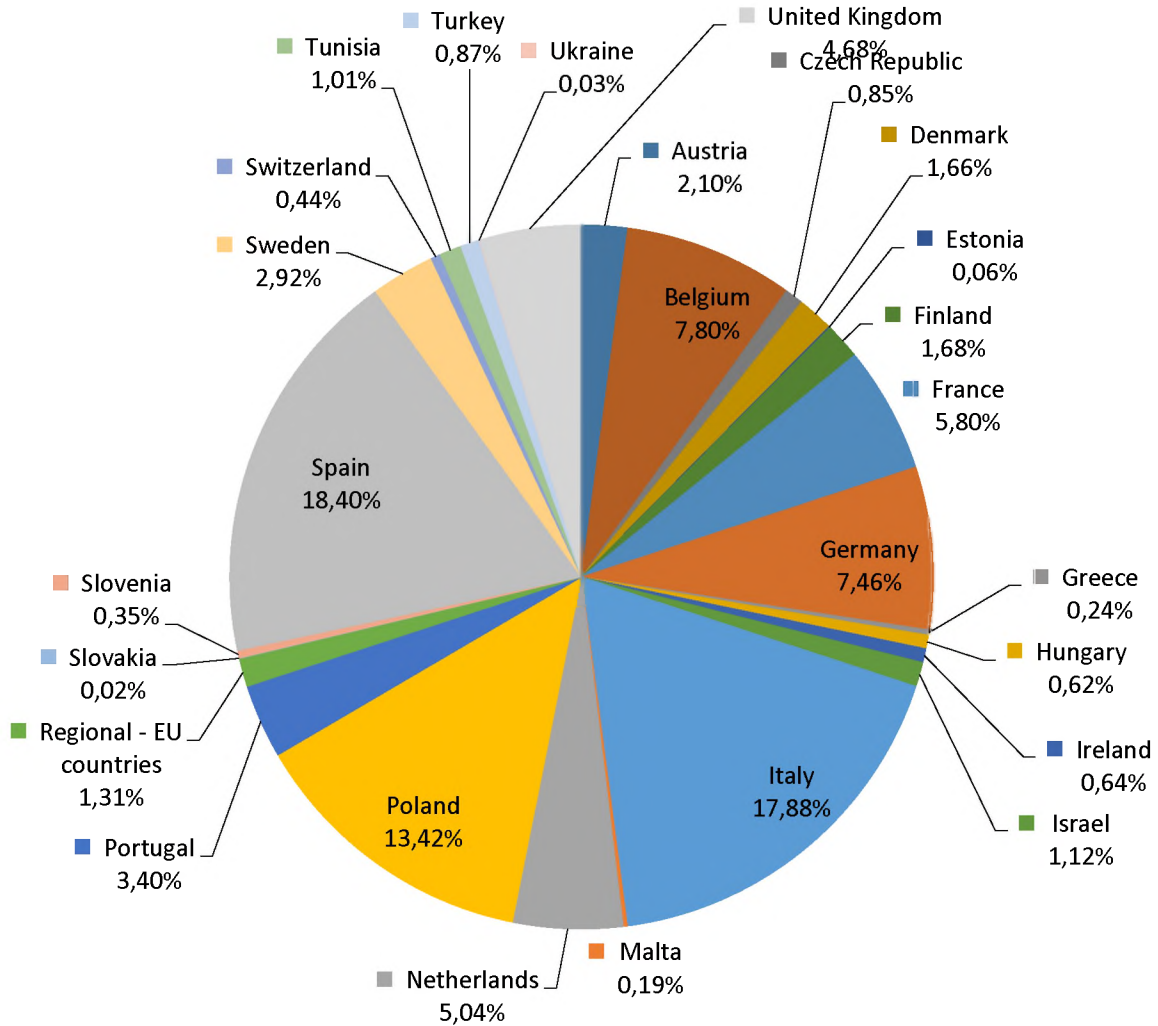
Due to the COVID-19 crisis EUR 400.1 million of repayments from the FP7 Risk Sharing Finance Facility have been recommitted to the Infectious Diseases Finance facility. EUR 198,5 million of loans have already been signed including EUR 75 million to CureVac and EUR 30 million of credit enhancement supporting the EUR 100 million financing to BioNTech under EFSI.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	1.981.100.000	1.981.100.000
Leverage	5,56	9
Multiplier effect	14,78	18
Envisaged operations	145	175
Financing provided by financial intermediaries to final recipients	11.010.680.418	17.829.900.000
Number of final recipients	145	175
Investments made by final recipients due to the received financing	29.279.199.119	35.659.800.000

Geographical diversification

As of 31/12/2020, the InnovFin facility has been implemented in 20 Member States and in 7 Associated Countries to Horizon 2020 or the

UK. The chart below shows how the financing provided to the final recipients (EUR 11 011 million) is distributed by country.



Main issues for the implementation

No issues to report on.

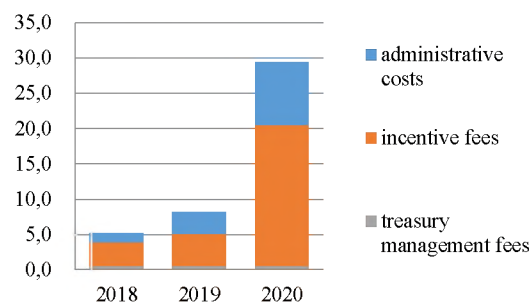
Financial Information

		(in euros)	
	Notes	2020	2014-2020
Overall budget	1		
Financial envelope available			1.981.100.000
EU Contribution	2		
Budgetary commitments		507.100.000	1.981.100.000
<i>of which from third countries</i>		0	
<i>of which from reflows</i>		400.100.000	1.109.505.978
Budgetary payments		400.000.000	1.674.826.750
Reflows	3		
Revenues		24.595.919	172.145.854
<i>interest income</i>			9.737.229
<i>risk remuneration, dividends, fees</i>		24.565.471	136.877.400
<i>realised gains</i>		30.448	25.519.154
<i>other revenues</i>			12.071
Repayments		0	39.757.000
Payable to the Commission		0	
Returned to the general budget		0	
Returned to be used		0	26.905.978
Losses from operations	4		
Guarantees called			143.836.000
<i>guarantee calls recovered</i>		0	39.756.001
Equity			
<i>Impairments</i>		N/A	N/A
<i>realised losses</i>		N/A	N/A
Costs	5		
Management fees		29.458.842	82.797.183
<i>administrative costs</i>		8.985.863	38.945.863
<i>incentive fees</i>		19.946.132	41.085.539
<i>treasury management fees</i>		526.847	2.765.781
Other operational and financial charges			1.405.760
<i>negative interest</i>			471.139
<i>foreign exchange losses</i>			
<i>other charges</i>			934.621
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		1.439.977.052	1.117.950.000
Assets provisioned for risk and liabilities		1.661.924.725	1.237.361.000
Value of equity investments		N/A	N/A
Provisions for risk and liabilities		55.048.503	26.471.536
Fiduciary Account	7		
Balance in the fiduciary account		2.149	2.149
<i>in euro</i>		2.149	2.149
<i>in non-euro currencies</i>		0	0

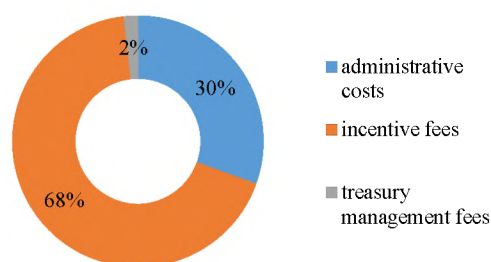
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)



Management fees 2020



2.2 Risk-Sharing Finance Facility under the FP7 (RSFF)

Description

Identification/Reference to the basic act

Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) (OJ L 412, 30.12.2006, p. 1).

Council Decision 2006/971/EC of 19 December 2006 concerning the specific programme 'Cooperation' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 86).

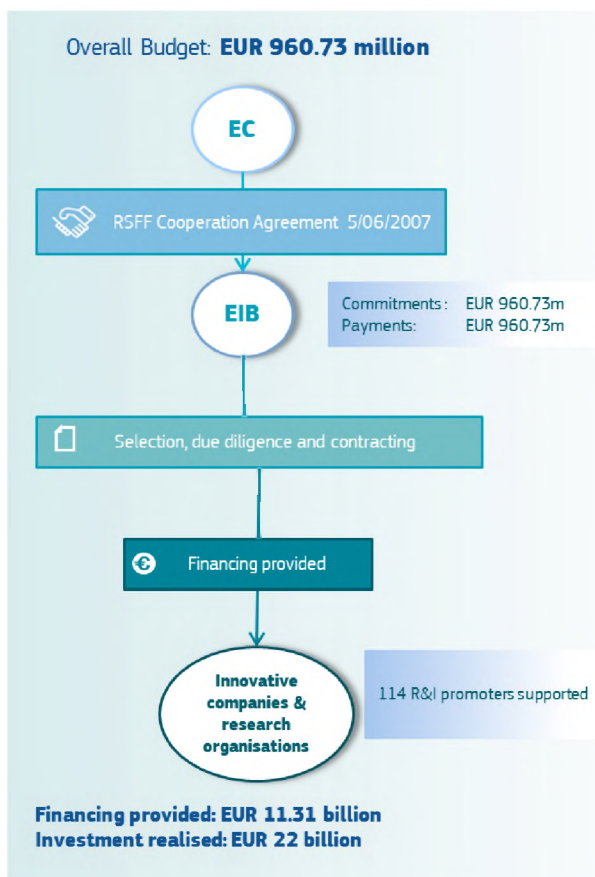
Council Decision 2006/974/EC of 19 December 2006 on the Specific Programme: 'Capacities' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 299).

Budget lines

N/A: Former MFF 2007-2013

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Initial envelope: EUR 960.730.000
Current financial envelope: EUR 960.730.000
Overall financial envelope: EUR 960.730.000

*Implementation cycle:*

The RSFF, co-developed by the European Commission and the EIB, was established in June 2007. The RSFF facilitates access to finance by providing loans and guarantees to a wide range of beneficiaries — including SMEs, mid-sized enterprises, larger companies, research institutions, universities and research infrastructures — investing in RDI.

The EU and the EIB are risk-sharing partners for loans provided by the EIB directly or indirectly to beneficiaries. The European Union, through FP7 budget resources, and the EIB have set aside a total amount of up to EUR 2 billion (up to EUR 1 billion each) for the period 2007-2013 to cover losses if RSFF loans are not repaid. Through those EU/EIB contributions for risk-sharing and loss coverage, the EIB is able to extend a loan volume of EUR 10 billion to companies and the research community for their investments in R&D and Innovation. The overall budget of the facility has been committed and paid at 100% by end 2013.

Duration:

The facility is planned to last until 30 September 2023 (until the last operations will be wound down).

Operational Performance

The RSFF has reached and easily exceeded almost all its operational and intermediate objectives. Three evaluations clearly demonstrate that RSFF is well on its way to realising longer-term objectives and wider achievements.

Loan agreements have been signed with 114 R&I promoters, with a total loan volume (active loans) of EUR 11,31 billion and the instrument had been implemented in 25 countries

Demand for RSFF loan finance has been high since the launch of the facility in mid-2007: in its first phase (2007-2010), its take-up exceeded initial expectations by more than 50

% in terms of active loan approvals (EUR 11,3 billion versus an initial forecast of EUR 6 billion).

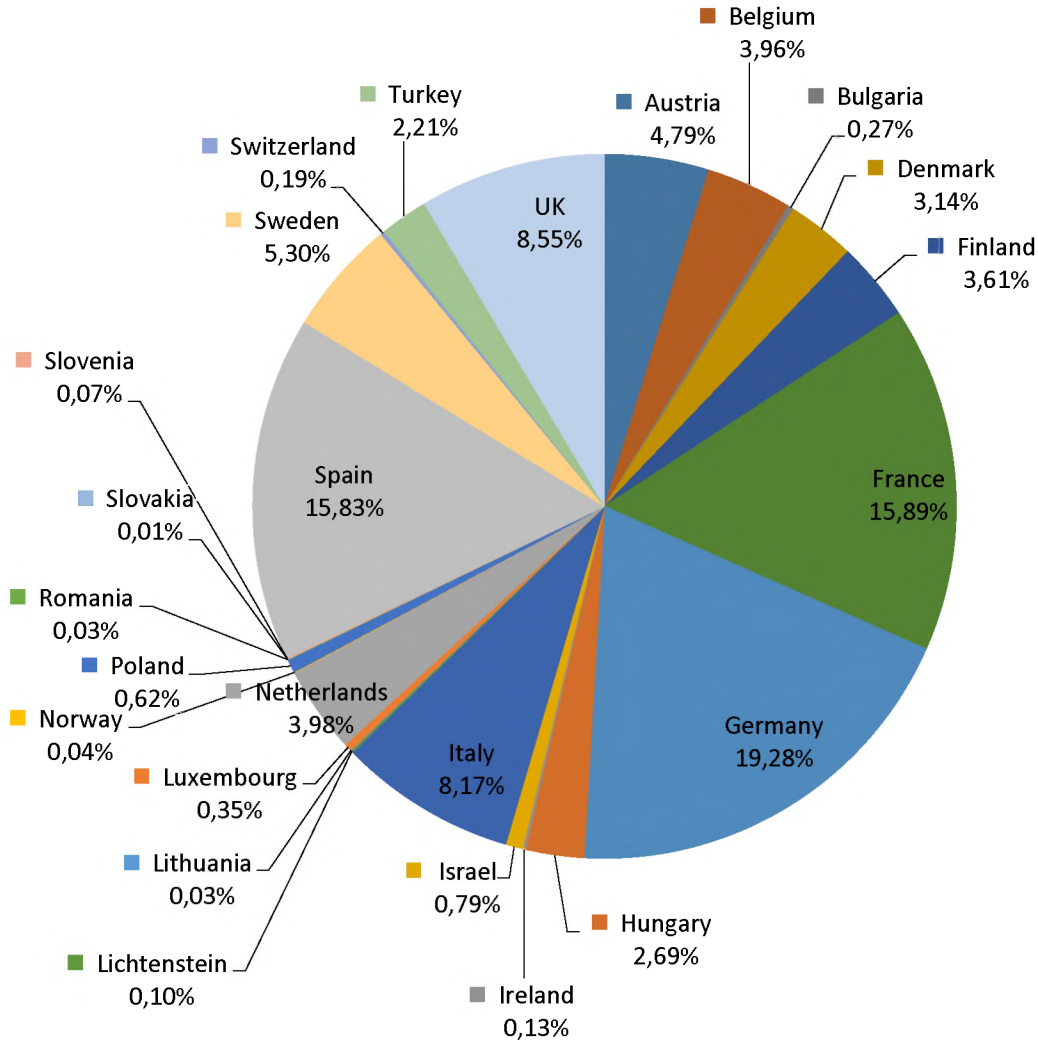
The first interim evaluation concluded that the RSFF had been successfully introduced into the EU's research funding scheme within FP7, was a model example of an EU financial instrument, and should be further developed and strengthened. Recommendations included the need to better target SMEs and research infrastructures. The second interim evaluation concluded that the RSFF had proved to be attractive to RDI companies and had met or exceeded its loan volume targets and enabled EIB to increase the bank's capacity to make riskier loans.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	960.730.000	960.730.000
Leverage	11,7	6,2
Multiplier effect	22,9	12,4
Envisaged operations	114	60
Financing provided by financial intermediaries to final recipients	11.313.000.000	6.000.000.000
Number of final recipients	114	60
Investments made by final recipients due to the received financing	22.000.000.000	12.000.000.000

Geographical diversification

Loan agreements have been implemented in 25 countries (The geographic breakdown below is based on the latest information available - source: RSFF ex-post operational report 2013)

since no new agreements have been signed since 2014. It shows the distribution of the EUR 11,3 billion provided to final recipients.



Main issues for the implementation

Facility ended (no new operations since 2014):
no issue to report.

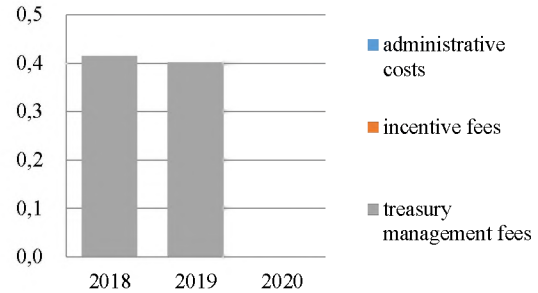
Financial Information

	Notes	2020	2007-2020
<i>(in euros)</i>			
Overall budget	1		
Financial envelope available			960.730.000
EU Contribution	2		
Budgetary commitments		0	960.730.000
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		0	0
Budgetary payments		0	960.730.000
Reflows	3		
Revenues		4.575.256	293.697.353
<i>interest income</i>		45.452	74.027.092
<i>risk remuneration, dividends, fees</i>		725.025	194.630.321
<i>realised gains</i>		3.803.780	24.838.341
<i>other revenues</i>		999	999
Repayments		450.189.570	924.585.578
Payable to the Commission		0	
Returned to the general budget		0	
Returned to be used		450.189.570	1.132.689.570
Losses from operations	4		
Guarantees called		413.000	25.543.000
<i>guarantee calls recovered</i>			6.773.000
Equity			
<i>impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		16.000	26.533.000
<i>administrative costs</i>		0	6.533.000
<i>incentive fees</i>		0	15.136.000
<i>treasury management fees</i>		16.000	4.814.000
Other operational and financial charges		142.076	53.019.658
<i>negative interest</i>		13.135	932.749
<i>foreign exchange losses</i>		0	1.074.000
<i>other charges</i>		128.941	51.012.909
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		2.607.000	15.020.000
Assets provisioned for risk and liabilities		15.918.069	465.455.233
Value of equity investments		N/A	N/A
Provisions for risk and liabilities			6.000.000
Fiduciary Account	7		
Balance in the fiduciary account		650.000	252.376
<i>in euro</i>		650.000	252.376
<i>in non-euro currencies</i>		0	0

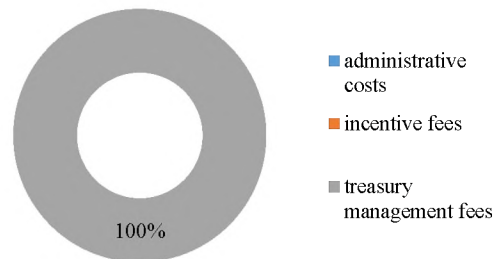
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)



Management fees 2020



2.3 RSI (Pilot guarantee facility for R&I-driven SMEs and Small Midcaps) under FP7

Description

Identification/Reference to the basic act

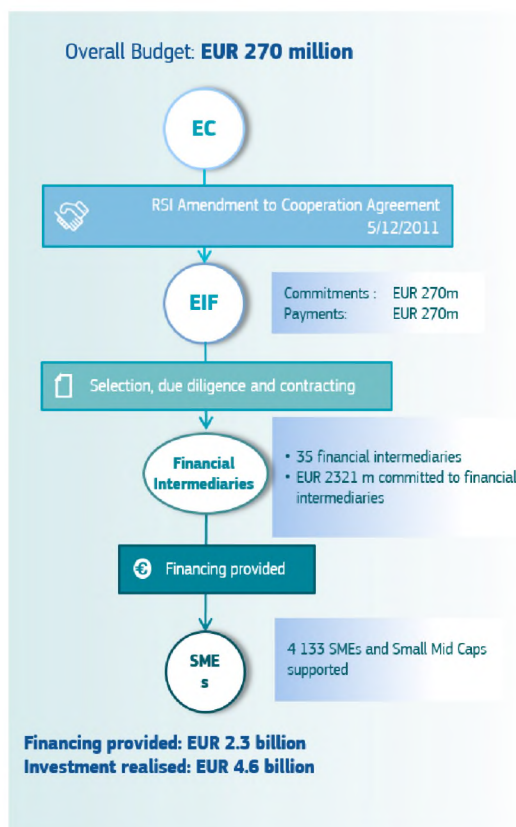
Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) (OJ L 412, 30.12.2006, p. 1).
 Council Decision 2006/971/EC of 19 December 2006 concerning the specific programme 'Cooperation' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 86).
 Council Decision 2006/974/EC of 19 December 2006 on the Specific Programme: 'Capacities' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 299).

Budget lines

N/A: Former MFF 2007-2013

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Initial envelope: EUR 270.000.000
Current financial envelope: EUR 270.000.000
Overall financial envelope: EUR 270.000.000

*Implementation cycle:*

The RSFF, co-developed by the European Commission and the EIB, was established in June 2007. In early 2012, within this programme a new pilot guarantee facility, RSI (Risk-Sharing Instrument for SMEs and small midcaps, with maximum 499 employees) was launched to improve access to finance for RDI investments.

The RSI guarantee facility is part of the RSFF implementation and is carried out by the European Investment Fund (EIF).

The RSI is a dedicated guarantee facility for loan and lease finance addressing the finance gap for innovative SMEs and Small Midcaps (with up to 499 employees). Through risk-sharing via guarantees provided by the EIF to financial intermediaries, it made a significant contribution to support innovative smaller companies by improving their access to finance.

No new commitment was made since 31/12/2013. The overall budget of the facility has been committed and paid at 100% by end 2013.

Duration:

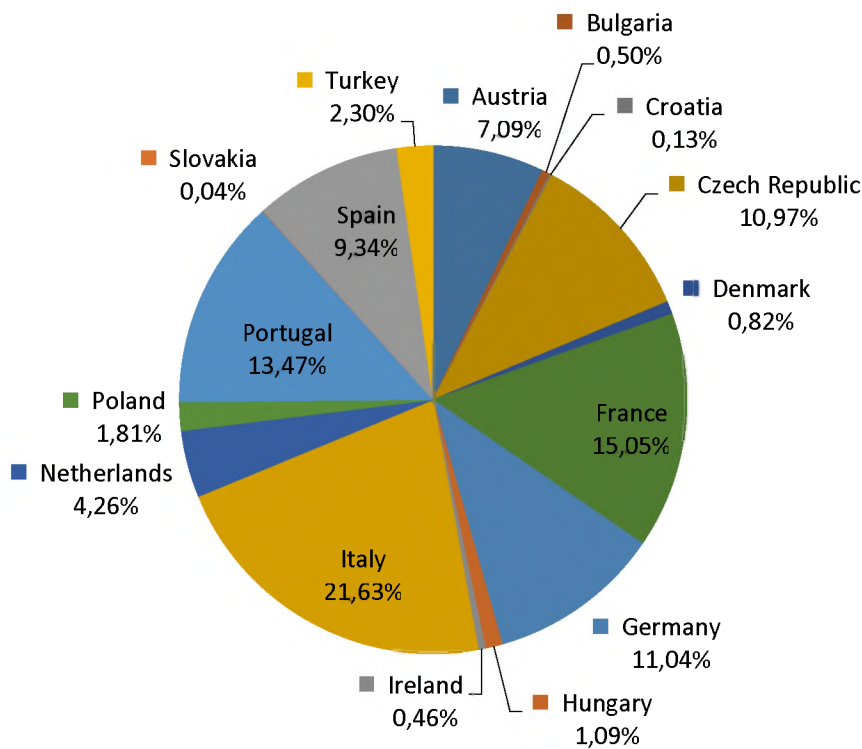
The facility is planned to last until 30 September 2023 (until the last operations will be wound down)

The Risk-Sharing Instrument has provided over EUR 2,32 billion in guarantees and

counter-guarantees to 35 banks and guarantee societies: this has enabled them to support up to 4.133 innovative SMEs and small midcaps (estimated corresponding investment amount: EUR 4 642 million).

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	270.000.000	270.000.000
Leverage	8,6	12,2
Multiplier effect	17,2	22,2
Envisaged operations	35	N/A
Financing provided by financial intermediaries to final recipients	2.321.200.000	3.301.000.000
Number of final recipients	4.133	3.000
Investments made by final recipients due to the received financing	4.642.400.000	6.000.000.000



Geographical diversification

The facility covers 17 countries in the EU and Associated Countries. The chart shows how the EUR 2,3 billion is distributed (by country).

Main issues for the implementation

The Risk Sharing Instrument (RSI) has come to an end, and has paved the way to the financial instrument SMEs & Small Midcaps R&I Loans Service under Horizon 2020 which

is implemented on a larger scale in term of budget, geographical coverage and specific target groups.

Financial Information

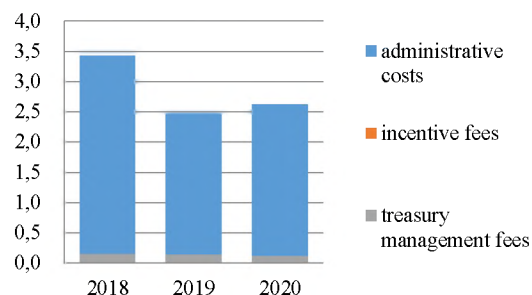
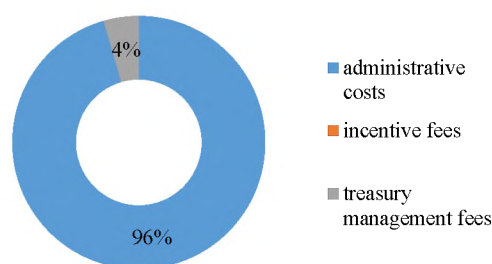
	Notes	(in euros)	
		2020	2007-2020
Overall budget	1		
Financial envelope available			
EU Contribution	2		
Budgetary commitments		0	270.000.000
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		0	0
Budgetary payments		0	270.000.000
Reflows	3		
Revenues		228.976	2.018.126
<i>interest income</i>		0	1.526.215
<i>risk remuneration, dividends, fees</i>		0	
<i>realised gains</i>		228.976	491.911
<i>other revenues</i>		0	
Repayments		50.000.000	114.105.752
Payable to the Commission		0	
Returned to the general budget		0	
Returned to be used		50.000.000	125.845.752
Losses from operations	4		
guarantees called		2.589.844	48.831.312
<i>guarantee calls recovered</i>		0	
Equity			
<i>Impairments</i>		N/A	N/A
<i>realised losses</i>		N/A	N/A
Costs	5		
Management fees		2.621.991	37.918.630
<i>administrative costs</i>		2.505.534	28.718.265
<i>incentive fees</i>		0	7.695.000
<i>treasury management fees</i>		116.457	1.505.365
Other operational and financial charges		436.230	2.608.298
<i>negative interest</i>		100.708	1.124.888
<i>foreign exchange losses</i>			1.137.157
<i>other charges</i>		335.522	346.253
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		90.807.000	151.709.000
Assets provisioned for risk and liabilities		89.817.108	143.141.537
Value of equity investments		N/A	N/A
Provisions for risk and liabilities		56.563.842	57.118.960
Fiduciary Account	7		
Balance in the fiduciary account		9.351.657	11.452.583
<i>in euro</i>		3.888.111	5.693.589
<i>in non-euro currencies</i>		5.463.546	5.758.994

Notes on financial information:

5. The amount of management fees includes EIF risk fees (EUR 2 278 034 for 2020).

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)

Management fees 2020


3 SOCIAL AND EDUCATION

3.1a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)

Description

EaSI Microfinance and Social Entrepreneurship Guarantee (EaSI-G) aims:

- to increase access to, and availability of, microfinance for vulnerable groups who want to set up or develop their business as well as for existing micro-enterprises,
- to build up the institutional capacity of microcredit providers,
- to support the development of social enterprises, in particular by facilitating access to finance.

The instrument provides support not directly to final recipients, but rather to relevant financial intermediaries, i.e. microfinance providers and social enterprise finance providers.

The "Microfinance Guarantee financial instrument" targets:

- *Vulnerable people*, i.e. persons who are in a disadvantaged position with regard to access to the conventional credit market and who want to start or further develop their own micro-enterprise, including self-employment; (special focus to young people as a vulnerable group).
- *Micro-enterprises*, meaning enterprises, including a self-employed person, that employ fewer than 10 people and whose annual turnover or annual balance sheet does not exceed EUR 2 000 000, in accordance with Commission Recommendation 2003/361/EC.

The "Social Entrepreneurship Guarantee financial instrument" targets:

- social enterprises, regardless of their legal form.

EaSI-G provides capped guarantees up to 30% of portfolios, which include micro-credit loans granted by financial intermediaries to micro-enterprises, including self-employed persons and loans to social enterprises. The guarantees cover up to 80% of the individual micro-credit and loans to social enterprises included in the respective portfolios.

Impact on the budget

Initial financial envelope	EUR 96 000 000
Current financial envelope	EUR 131 000 000 (out of which EUR 1 000 000 committed for the Business Development Services Support pilot)
Overall financial envelope	EUR 131 000 000 (out of which EUR 1 000 000 committed for the Business Development Services Support pilot, excluding EUR 300 000 000 from EFSI)

Implementation arrangements

EaSI-G is implemented by the European Investment Fund (EIF). The Delegation Agreement between the Commission and the EIF was signed in 2015 with technical amendments in 2016 and further amendments in 2017 and 2018 allowing for an additional top-up of EUR 300 000 000 from EFSI. It was further amended in 2020 to introduce Covid-19 support measures allowing for higher risk sharing. The initial overall budget of EUR 96 000 000 was increased by EUR 34 000 000 using reflows from the European Progress Microfinance Fund and the European Progress Microfinance Guarantee Facility, leading to an overall financial envelope, excluding EFSI top up, of EUR 131 000 000 (total amount available for the facility EFSI included is EUR 431 000 000).

From the above overall financial envelope of EUR 131 000 000, EUR 1 000 000 is earmarked for the implementation of the Business Development Services (BDS) Support pilot which is an additional component embedded in the EaSI Guarantee instrument. The purpose of BDS Support is to partially offset the costs incurred by Financial Intermediaries benefitting from an EaSI

3.1a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)

Microfinance Guarantee in view of offering Business Development Services to final recipients who qualify as Refugees and/or Migrants. By the end of 2020, seven intermediaries from six countries (Belgium, Italy, Luxembourg, Netherlands, Greece and Spain) have been selected to receive BDS support for an amount of EUR 500 000.

Duration

Commitment period	June 2015 - December 2020
Implementation period (<i>signatures with 3rd parties</i>)	22/6/2015 – 30/06/2024
Life cycle of operations	until 2034

Added value of the Union contribution

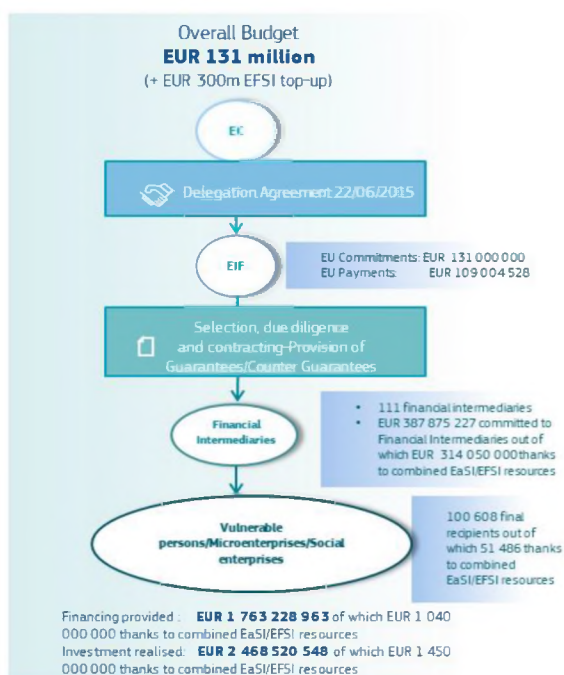
EaSI-G guarantees are widely accessible to financial intermediaries (microcredit providers, both banks and non-banks, and social enterprise finance providers) to improve outreach to the hard to reach target groups, namely micro-enterprises (including vulnerable persons) and social enterprises.

Financial Institutions involved in implementation

The European Investment Fund (EIF). Information on financial intermediaries is available in the following link http://www.eif.org/what_we_do/microfinance/easi/easi-signatures.pdf

Identification/Reference to the basic act			
Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347/238, 20.12.2013).			
Budget lines			
Item 02.02 99 02			
	2020	2021	2022
Budgetary commitment appropriations	21.274.928	0	0
Budgetary payment appropriations	25.089.290	8.516.203	13.479.269

3.1a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)



Implementation cycle:

EaSI Guarantee financial instruments (EaSI - G) are implemented via direct guarantees and counter-guarantees. They provide risk coverage in the form of capped guarantees to selected financial intermediaries who undertake to develop a portfolio of loans targeting eligible final recipients (vulnerable persons, micro- and social enterprises).

The EIF is instructed to provide guarantees backed by the EU budget to financial intermediaries in order to cover a portion of expected losses of a portfolio of newly generated loans to vulnerable persons, micro- and social enterprises with a higher risk profile.

As an entrusted entity, the EIF is responsible for identifying, investigating, evaluating and selecting the financial intermediaries by applying selection criteria and processes set out in the Delegation Agreement.

Operational Performance

As of 31/12/2020, 151 Guarantee Agreements (111 for Microfinance with 109 of them currently active, 40 for Social Entrepreneurship) with 111 financial intermediaries have been signed in 30 countries (25 Member States and 5 Participating Countries) for a total guarantee cap amount of EUR 387 875 000 out of which EUR 314 050 000 from EaSI/EFSI resources.

Until end 2020 (latest available operational data as at 30/09/2020), the main results of the instrument are the following:

- Amount of financing already provided by the instrument to eligible final recipients: EUR 1 760 000 000 (EUR 1 270 000 000 for microfinance and EUR 491 000 000 for social entrepreneurship).
- Number of final recipients: 100 608 (97 271 for microfinance and 3 337 for social entrepreneurship)¹⁹.
- Number of loans to micro and social enterprises: 111 175 (107 098 for

microfinance and 4 077 for social entrepreneurship).

- Total amount of investment realised: EUR 2 470 000 000 (EUR 1 780 000 000 for microfinance and EUR 687 390 000 for social entrepreneurship)²⁰ of which EUR 1 453 000 000 from EaSI/EFSI. Regarding the amount of private capital mobilised, it is the same as the total amount of investment realised (EUR 2 470 000 000) since it represents the sum of the amount that the financial intermediaries provide as loans to the final recipients plus the final recipients' private funding resources.
- Total number of employees (in the supported micro and social enterprises): 276 737 (176 213 for microfinance and 100 524 for social entrepreneurship)²¹.

¹⁹ Total number of final recipients for both windows – excluding duplicates – equals 100 608. Some final recipients have benefitted from both windows as the sum of microfinance and social entrepreneurship number of final recipients suggest (100 615 compared to 100 608).

²⁰ The respective figures were calculated by applying an external multiplier factor of 1,4 which reflects the multiplier used under EFSI.

²¹ Total number of employees for both windows – excluding duplicates.

3.1a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)

Additional operational information

For the EaSI-G microfinance window,²² the gender breakdown shows that considerable outreach to women is already achieved (29,8% of the micro-borrowers guaranteed were women). In addition, 12,3% of individual micro-borrowers who received support under the instrument so far were either unemployed or inactive at the time they received their loan. Individuals who were final recipients of micro-loans were, by and large, educated at secondary school level (37,7%). Regarding the age group, with respect to final recipients who are natural persons, the outreach to individuals in disadvantaged age groups (younger and older people combined) is 10,5%.

For the EaSI-G social entrepreneurship window,²³ reporting data collected shows that 17,9% of the social enterprises benefitting from EaSI-G have as a main activity producing and/or distributing healthy and/or affordable food. The vast majority (85,5%) of the social enterprises supported have an annual turnover of less than EUR 2 000 000.

Envisaged operations

The overall target leverage agreed with the EIF in the Delegation Agreement is 5,5 over the lifetime of EaSI-G. With an initial Union contribution of EUR 96 000 000, the minimum support of financing volumes envisaged was EUR 528 000 000. Due to the additional EUR 34 000 000 committed and the EUR 300 000 000 of EFSI top up, by applying the target leverage effect factor (5,5), the new minimum envisaged target financing volume to be supported is EUR 2 364 000 000. Overall, the total EU contribution (including EFSI) of EUR 430 000 000 (total of EUR 431 000 000 including the EUR 1 000 000 earmarked for the BDS support pilot) for the EaSI Guarantee instrument is estimated to mobilise up to EUR 3 940 000 000 in financing for micro-enterprises and social enterprises.

Performance of the financial instrument

As at 31/12/2020, based on the 151 signed Guarantee agreements for a total guarantee cap of EUR 387 880 000 out of which EUR 314 050 000 from EaSI/EFSI, the *expected* volumes of loans to final recipients are estimated to reach EUR 3 900 000 000, surpassing the overall

minimum target loan volume (EUR 2 365 000 000).

As for the actual leverage, the total guarantee cap of EUR 387 880 000 has so far supported EUR 1 700 000 000 (data as at 30/09/2020) of new micro-loans and loans to social enterprises, suggesting an achieved leverage of 4,5.

The performance of the financial instrument is expected to out-perform the minimum target leverage factor and the minimum target loan volume.

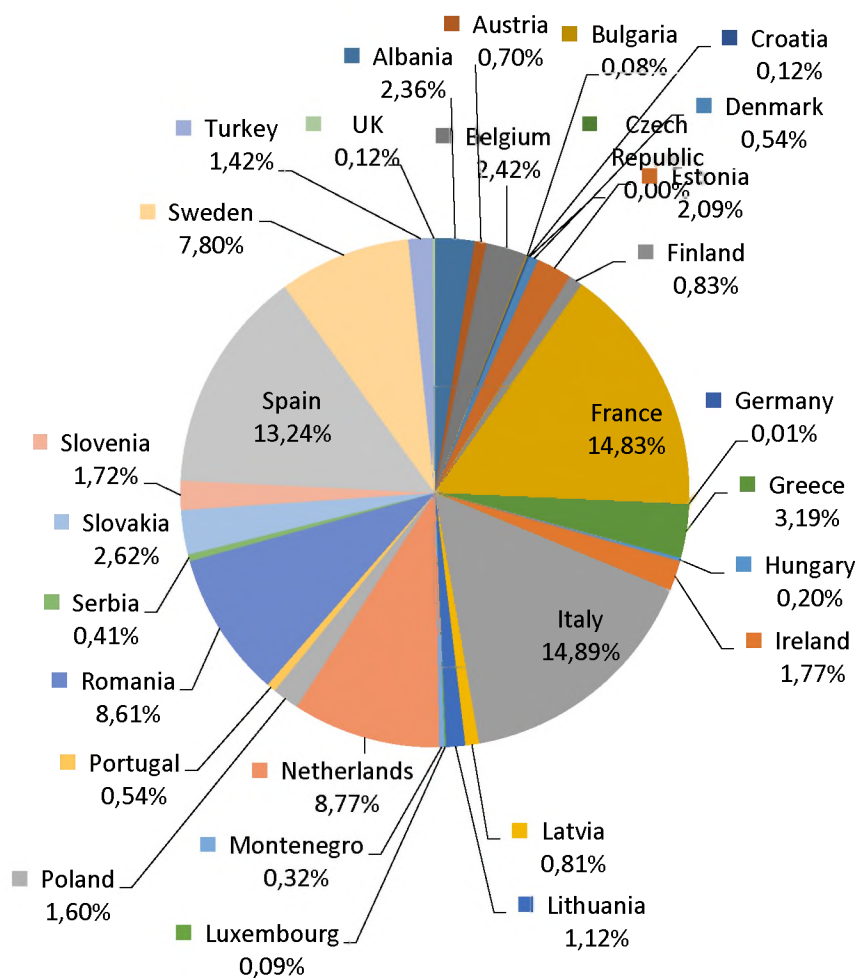
Performance results have been achieved also thanks to the top-up contribution from EFSI.

²² EaSI – Annual Impact Report 2020. The data used in this paragraph is based on a survey of a sample of micro-borrowers.

²³ EaSI – Annual Impact Report 2208. The data used in this paragraph is based on a survey of a sample of social enterprises.

3.1a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)

Key figures	Actual	Target
EU Contribution committed to financial intermediaries	387.875.227	430.000.000
Leverage	4,5	5,5
Multiplier effect	6,4	7,7
Envisaged operations	151	226
Financing provided by financial intermediaries to final recipients	1.763.228.963	2.365.000.000
Number of final recipients	100.608	150.780
Investments made by final recipients due to the received financing	2.468.520.548	3.311.000.000



Geographical diversification

As at 30/9/2020, the EaSI - G has supported the provision of financing in 30 countries (25 Member States and 5 Participating Countries) with the relevant breakdown presented here (distribution by country of EUR 1 760 000 000 of financing provided).

Main issues for the implementation

At present, EaSI-G is being successfully deployed, showing continuous strong market demand. EU budgetary commitments for 2017-2020 have already been frontloaded along with an additional top up from EFSI of EUR 100 000 000 and EUR 200 000 000 in 2017 and 2018 respectively, enabling the EIF to sign operations more quickly and keep pace with

market demand. In the area of social entrepreneurship, despite the initial slower take up due in part to the novelty of the instrument, the initially allocated EU budget of EUR 40 000 000 has been fully deployed. In the area of Microfinance, EaSI has already fully committed the initial EU budget of EUR 56 000 000, and now has fully utilised the additional available resources from the EFSI top up.

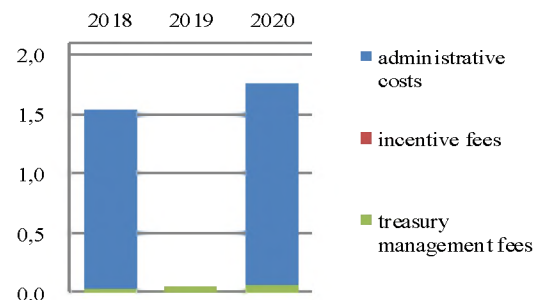
Financial Information

	Notes	2020	2015-2020
Overall budget	1		
Financial envelope available			€31000.000
EU Contribution	2		
Budgetary commitments		21274.928	€31000.000
<i>of which from third countries</i>		0	31.287
<i>of which from reflows</i>		0	2.401.756
Budgetary payments		25.089.290	109.004.528
Reflows	3		
Revenues		756.527	212.315
<i>interest income</i>		647.342	1445.173
<i>risk remuneration, dividends, fees</i>		33.391	212.315
<i>realised gains</i>		0	0
<i>other revenues</i>		75.794	0
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations	4		
Guarantees called		€3.483.629	36.831.232
<i>guarantee calls recovered</i>		286.429	762.970
Equity			
<i>impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		1763.136	11533.445
<i>administrative costs</i>		1.701.994	8.217.567
<i>incentive fees</i>		0	3.142.434
<i>treasury management fees</i>		61.142	173.444
Other operational and financial charges		204.356	1393.057
<i>negative interest</i>		46.799	265.621
<i>foreign exchange losses</i>		135.057	1.127.436
<i>other charges</i>		22.500	0
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		75.443.305	80.787.440
Assets provisioned for risk and liabilities		106.809.333	58.910.824
Value of equity investments		0	0
Provisions for risk and liabilities		79.404.355	66.866.675
Fiduciary Account	7		
Balance in the fiduciary account		106.809.333	58.910.824
<i>in euro</i>		24.981.348	11.199.037
<i>in non-euro currencies</i>		81827.985	47.711.787

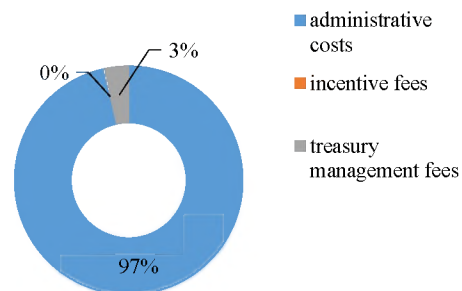
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)



Management fees 2020



Notes on financial information

1. Increased overall financial envelope by EUR 21 274 928 in 2020 and by EUR 34 000 000 altogether, building on reflows from the European Progress Microfinance Facility instruments.
2. The EU contribution increased by EUR 21 274 928 in 2020; these figures exclude the participation the European Fund for Structural Investments (EFSI), which amounts to EUR 300 000 000.
3. The revenues received on the financial instrument accounts in previous calendar years are used to cover the management fees and the amount of revenues that were not offset by fees are recovered and returned to the EU budget. In 2020, an amount of EUR 364.922,36 was returned to

the EU budget. The total interest income (revenues) is EUR 647 342 and is calculated by making the total of interest charges of current accounts and interest on term deposits (EUR 181+ EUR 647 177 – EUR 16 relating to Capacity Building (CB)). Interest on loans and receivables should be reported under CB.

4. N.a.
5. The EIF is entitled to receive administrative and incentive fees, which shall be capped at 9% of the EU Contribution Committed up to EUR 96 000 000 and at 8% of the Additional Contribution Committed. Annually, the administrative fees are calculated as 5% of the amount of operations signed and are payable to the

3.1a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)

EIF in arrears, upon submission of a statement of fees. The other charges related to exceptional and unforeseen expenses such as certain winding down costs, recovery and litigation costs in relation to disputes relating to the implementation of the EaSI Financial Instrument to be reimbursed to the EIF.

6. The maximum risk exposure in 2020 is calculated by making the difference between the total guarantee cap (EUR 383 285 465) and then excluding the net guarantee called (EUR 36 068 262) and the EFSI amount (EUR 272 073 898). The provision for risks and liabilities represents the expected estimated loss for each guarantee operation and subsequently reduced by the payment demands made by the financial intermediaries.
7. The amounts presented include accrued interests and EUR 44 070 000 received from EFSI for FX hedging purposes.

3.1b EaSI Capacity Building Investments (EaSI CBI)

Description

The EaSI Capacity Building Investment Window ("EaSI Capacity Building") is one of the Financial instruments foreseen under the Employment and Social Innovation ('EaSI') programme. Its objectives are described in Regulation (EU) No 1296/2013 and can be found in Article 4:

General objective

- To promote employment and social inclusion by increasing the availability and accessibility of microfinance for vulnerable people who wish to start up a micro-enterprise as well as for existing micro-enterprises, and by increasing access to finance for social enterprises.

According to Article 26 of the legal base (Regulation (EU) No 1296/2013), "In addition to the general objectives set out in Article 4, the specific objectives of the Microfinance and Social Entrepreneurship axis shall be to: (b) build up the institutional capacity of microcredit providers".

EaSI Capacity Building Investments is implemented through direct and indirect equity investments in financial intermediaries and/or quasi-equity i.e. loans with an "equity-like" risk profile in terms of subordination or maturity profile to financial intermediaries that are not allowed to receive equity investments by law or due to regulatory restrictions.

Impact on the budget

Initial financial envelope	EUR 16 000 000
Current financial envelope	EUR 45 000 000
Overall financial envelope	EUR 45 000 000

Implementation arrangements

The EaSI Capacity Building instrument is implemented by the European Investment Fund (EIF) on behalf of the European Commission. The amended EaSI Delegation Agreement introducing the set up and the implementation procedures of EaSI Capacity Building was signed between the Commission and the EIF on 19/12/2016 with an initial indicative budget of EUR 16 000 000 and was further amended in 2018 allowing for the provision of subordinated loans to Financial Intermediaries. During 2017, the Designated Service and the EIF agreed to increase the budget by EUR 10 000 000, leading to an envelope of EUR 26 000 000 in 2018. By the end of 2019, the entire amount of EUR 26 000 000 has been committed. Due to the increased demand for the instrument, a further increase of EUR 19 000 000 has been agreed in 2020, bringing the total amount to EUR 45 000 000.

Duration

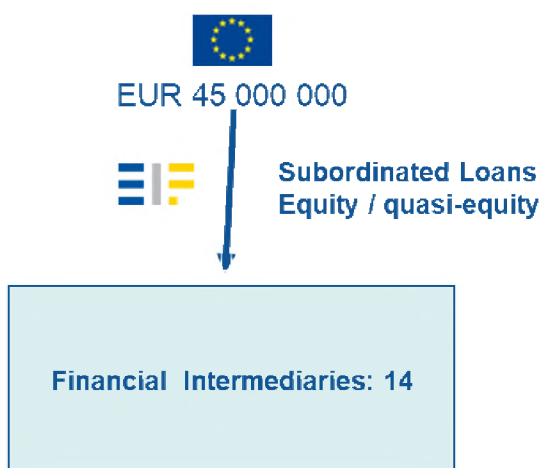
Commitment period	December 2016 - December 2020
Implementation period (signatures with 3 rd parties)	22/12/2016 – 30/06/2024
Life cycle of operations	until 31/12/2033

Added value

The EaSI Capacity Building instrument aims at building up the institutional capacity of financial intermediaries that have not yet reached sustainability (i.e. break-even, operational capacity, etc.), including greenfield financial intermediaries, or financial intermediaries that need risk capital, inter alia, to expand further their operations, both in the microfinance and in the social entrepreneurship space.

3.1b EaSI Capacity Building Investments (EaSI CBI)

Identification/Reference to the basic act			
Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ('EaSI').			
Budget lines			
Item 02.02 99 02			
	2020	2021	2022
Budgetary commitment appropriations	19.000.000	0	0
Budgetary payment appropriations	8.084.645	455.548	0



Implementation cycle:

EaSI Capacity Building is implemented by the European Investment Fund in accordance with the amendment of the Delegation Agreement entered into on 19/12/2016 as further amended on 14/12/2018 between the European Union, represented by the Commission and EIF.

Under the Agreement, the Commission mandated EIF to implement EaSI Capacity Building Investments Window through direct and indirect equity investments in financial intermediaries and subordinated loans or quasi-equity i.e. loans with an “equity-like” risk profile in term of subordination or maturity profile to financial intermediaries.

Capacity building investments: 14

Financing provided : **EUR 28 500 000**

Investment realised: **EUR 49 800 000**

Operational Performance

Contribution to achievement of the objectives of the programme

Until 31/12/2020, there were 14 signed operations of EU equity or subordinated loans participations, worth of EUR 32 100 000 with 14 financial intermediaries, covering 9 participating countries. The above mentioned signed transactions involve investments a) in organisational development and expansion, including branch expansion, scaling up/building up of IT infrastructure and human resources such as recruitment and training of staff and b) in strengthening the operational and institutional capabilities contributing to the sustainability of a Financial Intermediary

(including Greenfield Financial Intermediary) and the increase of their indebtedness capacity

Envisaged operations

The instrument has already achieved the number of envisaged operations (14 signed operations compared to 10-12 envisaged). Out of the 14 signed operations, 2 are equity investments with the other 12 being subordinated loans.

Performance of the financial instrument

Minimum target leverage agreed with the EIF in the Delegation agreement is 2 over the lifetime of the instrument, calculated as the aggregate amount of financing made available to Financial Intermediaries and Sub-Intermediaries for the purpose of capacity

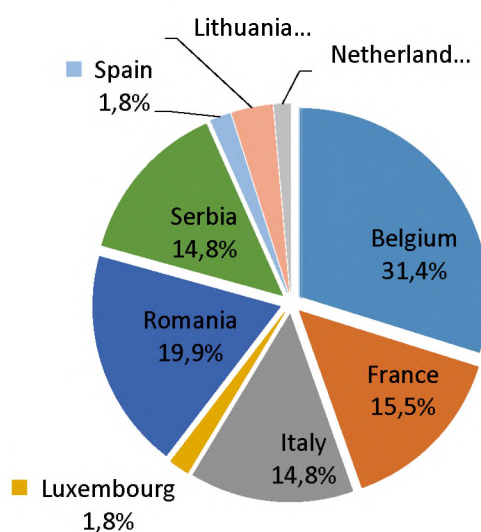
building divided by the aggregate amount of Capacity Building Investments. Based on the target multiplier of the instrument, it was estimated that the total EU budget envelope (net of fees) of EUR 40 950 000 will generate around EUR 155 610 000 of financing provided to Financial Intermediaries and Sub-Intermediaries for the purpose of capacity

building. The current EU participations committed amount of EUR 32 069 244 million has so far provided EUR 28 498 637 million of financing to benefitting financial institutions (the final recipients of the Facility), suggesting an achieved leverage of 0,9.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	32.069.244	40.950.000
Leverage	0,9	2
Multiplier effect	1,55	3,8
Envisaged operations	14	10-12
Financing provided	28.498.637	81.900.000
Number of final recipients	14	10-12
Investments made by final recipients due to the received financing	49 799 558	155.610.000

Geographical diversification

Until 31/12/2020, there were 14 signed CB operations, providing financing to 9 countries.



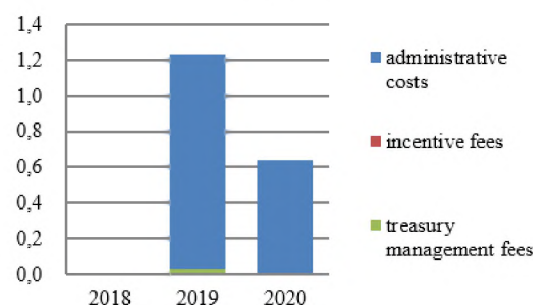
Main issues for the implementation

No issues identified until now.

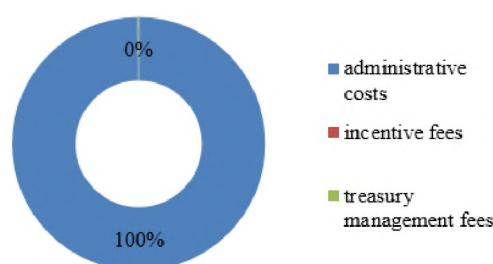
Financial Information

				(in euros)	
	Notes	2020	2015-2020		
Overall budget	1				
Financial envelope available			45.000.000		
EU Contribution	2				
Budgetary commitments		19.000.000	45.000.000		
of which from third countries		0	0		
of which from reflows		0	0		
Budgetary payments		8.084.645	30.810.029		
Reflows	3				
Revenues		666.264	842.473		
interest income		666.264	842.473		
risk remuneration, dividends, fees		0	0		
realised gains		0	0		
other revenues		0	0		
Repayments		0	0		
Payable to the Commission		0	0		
Returned to the general budget		0	0		
Returned to be used		0	0		
Losses from operations	4				
Guarantees called		0	0		
guarantee calls recovered		0	0		
Equity					
Impairments		0	0		
realised losses		0	0		
Costs	5				
Management fees		642.069	1.232.890		
administrative costs		641.385	1.205.495		
incentive fees		0	0		
treasury management fees		684	27.395		
Other operational and financial charges		133	93.108		
negative interest		133	93.108		
foreign exchange losses		0	0		
other charges		0	0		
		2020	2019		
Risk exposure	6				
Maximum financial risk exposure		24.080.693	18.981.858		
Assets provisioned for risk and liabilities		0	0		
Value of equity investments		21631093	16.001.408		
Provisions for risk and liabilities		0	0		
Fiduciary Account	7				
Balance in the fiduciary account		8.432.631	6.496.817		
in euro		8.432.631	6.496.817		
in non-euro currencies		0	0		
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years					
N/A					

Management fees 2018-2020 (in million)



Management fees 2020



Notes on financial information

3. These are interests on loans and receivables. The revenues received in the previous calendar year on the financial instrument account and notified by the EIF in June 2020 (EUR 119 985,94) were used to cover the management fees. Interests on loans and receivables (EUR 666 264) have to be reported under Capacity Building Investments.

5. The EIF is entitled to receive administrative and incentive fees, which shall be capped at

8% of the total EU Contribution Committed to the Capacity Building Investments Window. Annually, the administrative fees are calculated as 2% of the aggregate amount of operations signed and are payable to the EIF in arrears, upon submission of a statement of fees.

6. The maximum risk exposure amount includes the amount invested and the undrawn

commitments. The value of equity investments includes shares and loans.

7. Cash at Bank : There is a total amount of EUR 33 891 746. This amount is split between EaSI CBI (EUR 8 432 631) and EaSI G (EUR 25 459 115).

3.2 European Progress Microfinance Facility (EPMF - G)

Description

The aim of the European Progress Microfinance Guarantee Facility was to enhance access to microfinance by reducing microfinance providers' risk.

The EPMF Facility provided Union resources to increase access to, and availability of, microfinance for:

1. persons who have lost or are at risk of losing their job, or who have difficulties entering or re-entering the labour market, as well as persons who are facing the threat of social exclusion or vulnerable persons who are in a disadvantaged position with regard to access to the conventional credit market and who want to start or further develop their own micro-enterprise, including self-employment,
2. micro-enterprises, especially in the social economy, as well as micro-enterprises which employ persons referred to in point (1).

Impact on the budget

Initial financial envelope	EUR 25 000 000
Current financial envelope ²⁴	EUR 23 600 000
Overall financial envelope ²⁵	EUR 23 989 699

Implementation arrangements

The Commission empowered and mandated the EIF to provide EU Guarantees in its own name but on behalf of and at the risk of the Commission, under a Financial Management Agreement ('FMA', signed 01/07/2010).

The EPMF Guarantee Facility provided capped guarantees up to 20% of portfolios, which included micro-credit loans granted by intermediaries to micro-enterprises, including self-employed persons. The micro-credit guarantee covered up to 75% of the individual micro-credit loans included in the respective portfolio.

Guarantees provided by the EIF in accordance with the Agreement were open to any intermediaries being public or private bodies established on national, regional and local levels in the Member States, which provide microfinance to persons and micro-enterprises in the Member States, such as financial institutions, microfinance institutions, guarantee institutions or any other institution authorised to provide microfinance instruments.

As the budget of the EPMF Guarantee Facility was fully utilised by Q2 2014, no new transaction took place in 2020.

The termination of the guarantee facility is expected to be finalised in 2021.

Duration

Commitment period	2010-2013
Implementation period (<i>signatures with 3rd parties</i>)	July 1, 2010 until April, 7 2016
Life cycle of operations	until December 2020

²⁴ Amount committed and including the fees paid to the EIF

²⁵ Amount committed, including fees paid to the EIF and additional resources (regularised interests).

3.2 European Progress Microfinance Facility (EPMF - G)

Added value of the Union contribution

The Facility allowed microfinance providers to reach out to target groups, who could otherwise not be served; for instance, because persons from these groups could not provide sufficient collateral or because the interest rates, which they would have to pay in accordance to their actual risk profile, were too high.

Financial Institutions involved in implementation

European Investment fund (EIF).

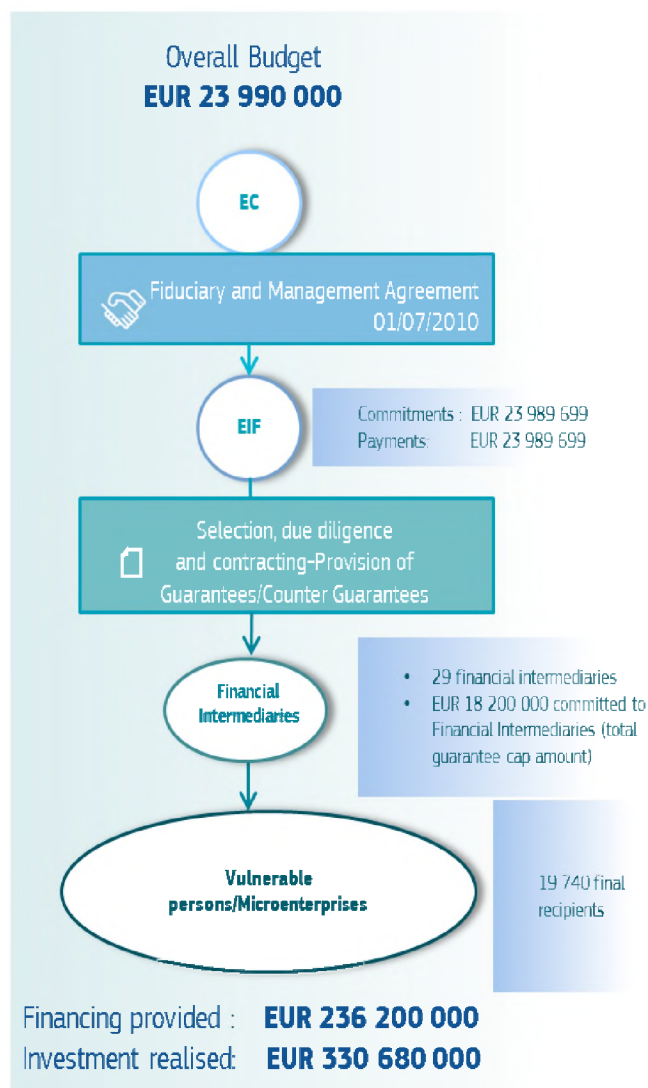
Identification/Reference to the basic act			
Decision No 283/2010/EU of the European Parliament and of the Council of 25 March 2010 establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347/238, 20.12.2013).			
Budget lines			
02.02 99 02			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Implementation cycle:

The EPMF Guarantee Facility was implemented via direct guarantees and counter-guarantees. EPMF-G Guarantees provided risk coverage in the form of capped guarantees to selected financial intermediaries who developed a portfolio of loans targeting eligible final recipients (vulnerable persons and micro-enterprises).

From a technical point of view, the EIF was instructed to provide guarantees backed by the EU budget to financial intermediaries in order to cover a portion of the expected losses of a portfolio of newly generated loans to self-employed and micro enterprises with a higher risk profile.

The EIF was responsible for identifying, investigating, evaluating and selecting the Financial Intermediaries ('FI') by applying selection criteria and processes set out in Annex 1 of the FMA, titled Operational Guidelines. Under the FMA, the EIF examined, on a continuous basis, proposals collected based on a call for expression of interest.



Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	23.989.699	25.000.000
Leverage	9,85	6,67
Multiplier effect	13,79	9,33
Envisaged operations	36	N/A
Financing provided by financial intermediaries to final recipients	236.203.114	166.750.000
Number of final recipients	19.740	N/A
Investments made by final recipients due to the received financing	330.684.360	233.450.000

Contribution to achievement of the objectives of the programme

As of 30/09/2020, in total 36 Guarantee Agreements have been signed in 18 countries for a total guarantee cap amount of EUR 18 200 000.

For the entire period as of 31 December 2020 (latest available operational data as at 30/09/2020), the main results of the instrument are the following:

- Amount of financing already provided by the instrument to eligible final recipients: EUR 236 203 114
- Number of final recipients: 19 740.
- Number of loans to micro enterprises: 20 996.
- Total amount of investment realised: EUR 330 684 360²⁶.
- Total number of employees (in the supported micro enterprises): 37 187.

Additional operational information

In 2020, the demand from microfinance providers has remained significant and the EaSI Microfinance Guarantee (EPMF-G successor programme) has effectively covered the needs of the microfinance market.

The EPMF Guarantee Facility portfolio has reached its end in terms of loan inclusions and results at final recipient level. Therefore, there are no more active contracts/agreements and there is no new data to report regarding the social and entrepreneurship impact evaluation

report which remains unchanged compared to the 2018 report.

Under EPMF-G²⁷ the gender breakdown shows that considerable outreach to women was achieved (34,9% of the micro-borrowers guaranteed were women).

In addition, 57,15% of individual micro-borrowers who received support under the Facility so far, were either unemployed or inactive at the time they received their loan. Individuals which were final recipients of micro-loans were, by and large, educated at secondary school level (39,7%). Nevertheless, EPMF also continues to be of importance in serving the financing needs of individuals with a higher education beyond the secondary school level (34,5%). Regarding the age group, with respect to final recipients who are natural persons the outreach to individuals in disadvantaged age groups (younger and older people combined) remains at noteworthy levels (15,2%).

Envisaged operations

The minimum target leverage was estimated at 6,67. With an EU contribution of EUR 25 000 000 the minimum support of financing volumes envisaged was EUR 166 750 000.

Performance of the financial instrument

As for achieved leverage until 30/09/2020, the total EU contribution committed of EUR 23 989 699 has supported so far EUR 236 203 114 of new micro-loans, implying a leverage of 9,85.

²⁶ The respective figure were calculated by applying an external multiplier factor of 1,4 which reflects the multiplier used under EFSI.

²⁷ EPMF-Annual Implementation Report 2018-Social and Entrepreneurship Impact Evaluation Report. The data used in this paragraph is based on a survey of a sample of micro-borrowers

The main performance indicators are presented below:

- a) Total investments realised (achieved at final recipients' level): EUR 330 684 360.
- b) Achieved multiplier effect: 13,79
- c) Achieved leverage effects (on total financing): 9,85.

As of 30/09/2020, the European Progress Microfinance Facility including both EPMF-Guarantees and FCP-Funded instruments already provided 60 435 micro-loans to final

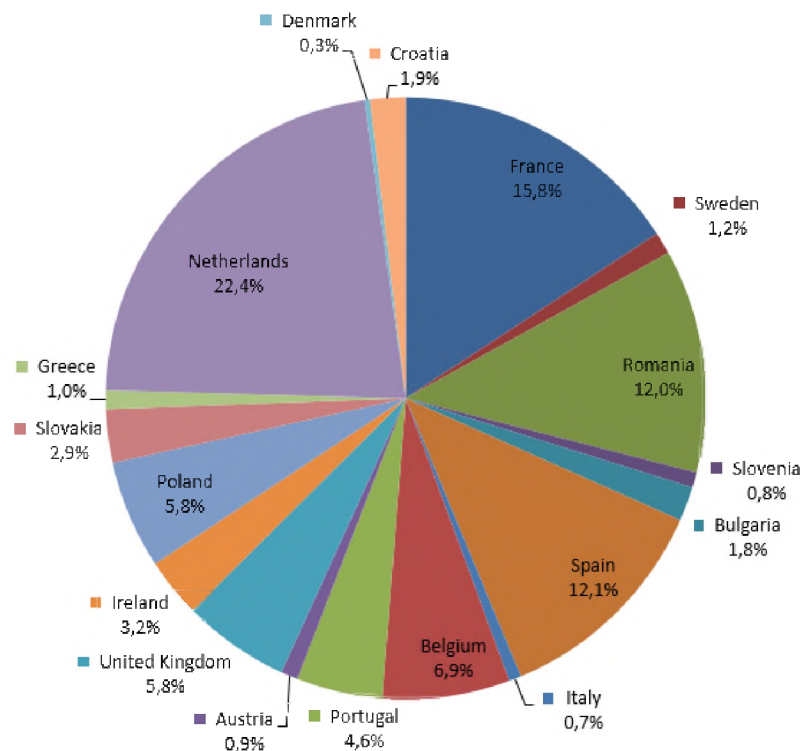
recipients reaching a volume of EUR 517 210 000, compared to the initial programme target of 46 000 micro-loans with the volume of EUR 500 000 000.

As already presented above, the financial instrument has out-performed the minimum target leverage factor and the minimum target loan volume.

Geographical diversification

As at 30/9/2020, the Facility covers 17 Member States and the United Kingdom with the

breakdown presented below (distribution of EUR 236 200 000 of financing provided).



Main issues for the implementation

Room for improvement has been identified for accompanying mentoring and training for micro-entrepreneurs since it is considered as important factor for the sustainability of the micro-enterprises. This has been taken into

account in the EaSI – Guaranteed financial instrument (EaSI-G), the successor programme of EPMF-G, where the provision of such services from financial intermediaries to final recipients is mandatory.

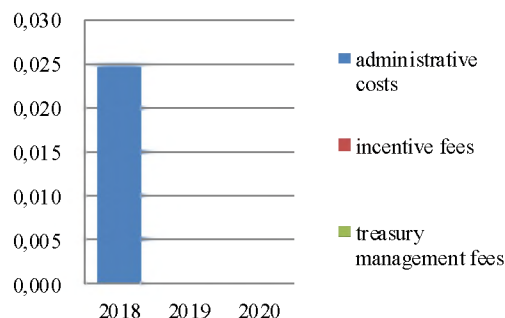
Financial Information

(in euros)			
	Notes	2020	2019-2020
Overall budget	1		
Financial envelope available			0
EU Contribution	2		
Budgetary commitments		0	23.989.699
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		0	0
Budgetary payments		0	23.989.699
Reflows	3		
Revenues		0	1363.272
<i>interest income</i>		0	410.953
<i>risk remuneration, dividends, fees</i>		0	46.520
<i>realised gains</i>		0	0
<i>other revenues</i>		0	905.799
Repayments		513.296	3.767.736
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be used		513.296	4.201.472
Losses from operations	4		
Guarantees called		81620	14.512.493
<i>guarantee calls recovered</i>		11.950	71.367
Equity			
<i>impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		0	1840.751
<i>administrative costs</i>		0	1840.751
<i>incentive fees</i>		0	0
<i>treasury management fees</i>		0	0
Other operational and financial charges		40.505	687.982
<i>negative interest</i>		21.153	97.379
<i>foreign exchange losses</i>		2.334	540.009
<i>other charges</i>		17.018	50.594
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		3.409.678	3.592.296
Assets provisioned for risk and liabilities		3.778.228	4.412.945
Value of equity investments		0	0
Provisions for risk and liabilities		3.709.586	3.857.747
Fiduciary Account	7		
Balance in the fiduciary account		3.778.228	4.412.945
<i>in euro</i>		2.592.186	3.172.985
<i>in non-euro currencies</i>		1.186.042	1.239.960

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)



Notes on financial information

3. As foreseen in the agreement, the EIF returns unused amounts to the Commission. These returned amounts may be reused for the next generation of financial instruments under EaSI.

5. Other operating charges is mainly composed of audit and legal fees.

6. The Provisions for risk and liabilities of 2019 have been adjusted in the audited

financial statement (EUR 3 809 347 instead of EUR 3 857 747). The maximum financial risk excludes the cumulative guarantee calls of previous years.

7. At year end, the short-term deposits have an average maturity of 56 days.

3.3a European Progress Microfinance FCP-FIS

Description

EU Microfinance Platform MICROFINANCE PLATFORM (the “Fund”) is structured as a Luxembourg “fonds commun de placement – fonds d’investissement spécialisé” (FCP - FIS) governed by the law of 13 February 2007 relating to specialised investment funds (the “2007 Law”) and launched on 22 November 2010. It is established as an umbrella fund, which may have several sub-funds. As of 31 December 2013, the Fund has had a single sub-fund - the European Progress Microfinance Fund (the “Sub-fund”). In October 2019, the EU Microfinance Platform FCP-FIS – Employment and Social Innovation (the ‘EaSI Sub-Fund’) was launched, which is currently the second compartment of the EU Microfinance Platform FCP-FIS.

The EPMF Fonds Commun de Placement – Fonds d’Investissement Spécialisé (EPMF FCP-FIS) is a Dedicated Investment Vehicle (DIV) in the form of a Fund which is an unincorporated co-ownership of securities and other eligible assets.

The specific investment objective of the Fund is to increase access to, and availability of, a range of financial products and services in the area of microfinance for the following target groups (see also the objectives under the EPMF-Guarantee Facility):

- persons starting their own enterprise, including self-employment;
- enterprises, especially microenterprises;
- capacity building, professionalization, and quality management of microfinance institutions and of organisations active in the area of microfinance;
- local and regional employment and economic development initiatives.

Impact on the budget

Initial financial envelope	EUR 78 000 000
Current financial envelope	EUR 80 000 000
Overall financial envelope	EUR 80 000 000

Implementation arrangements

The FCP-FIS is managed by the Management Company (EIF) which is vested with the broadest powers to administer and manage the Fund and the sub-fund(s) in accordance with the Management Regulations and Luxembourg laws and regulations and, in the exclusive interest of the Unit-holders, to exercise all of the rights attaching directly or indirectly to the assets of the Fund.

The EIF has exclusive authority with regard to any decisions in respect of the Fund or any sub-fund(s), and shall act with the diligence of a professional management company and in good faith in the exclusive interests of the Unit-holders. The Fund issues unit classes, which are redeemable at the option of the Management Company on a pro rata basis among existing investors in accordance with the provisions of the management regulations and the commitment agreements. In 2020, the sub fund liquidation procedure was launched and it was notified to the Luxembourgish supervisory authority (CSSF). The liquidation process is expected to be finalised in 2021.

Duration

Commitment period	2010-2013
Implementation period (<i>signatures with 3rd parties</i>)	Until 7/4/2016
Life cycle of operations	Until 30/4/2020

Added value of the Union contribution

The Fund constitutes one of the EU’s core measures to mitigate the consequences of the 2007-2008 financial crisis. By providing debt, equity and funded risk sharing instruments to microfinance institutions (MFIs) located within the EU, it increases the access to, and availability of, microfinance for, inter alia, the most vulnerable. The microenterprise segment is the cornerstone of the EU economy: more than 90% of EU businesses and almost all start-ups are microenterprises.

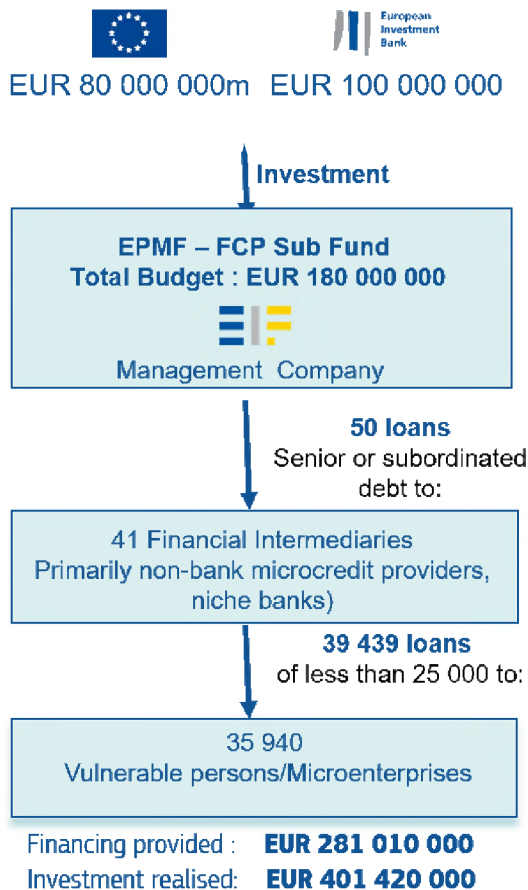
3.3a European Progress Microfinance FCP-FIS

Some 66% of business start-ups are set up by unemployed people. The Fund enables economic independence for micro-entrepreneurs who might otherwise have difficulties accessing funds for their business. It provides concrete support for economic growth, employment creation and social inclusion.

Financial Institutions involved in implementation

The Fund is managed by the EIF as a Management Company.

Identification/Reference to the basic act			
Decision No 283/2010/EU of the European Parliament and of the Council of 25 March 2010 establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347/238, 20.12.2013).			
Budget lines			
Item 02.02 99 02			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0



Implementation cycle

The Facility is implemented via a Dedicated Investment Vehicle (DIV) in the form of a Fund. EPMF FCP-FIS provides mainly debt instruments (senior loans).

The two founding investors of the Fund are the European Commission and the European Investment Bank for a total investment of EUR 180 000 000 out of which EUR 80 000 000 is the EU contribution (first loss piece) and EUR 100 000 000 is from EIB (second loss piece).

In its role as management company, the EIF has evaluated, selected and concluded the relevant loan agreements with selected financial intermediaries.

On their part, selected financial intermediaries on-lend the received financing by developing loan portfolios aiming at specific target groups (self-employed persons, microenterprises).

The provision of loan financing to intermediaries increases access to, and availability of, microfinance for the most vulnerable within the EU.

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	80 000 000	80 000 000
Leverage	3,5	2,83
Multiplier effect	5	4,04
Envisaged operations	50	N/A
Financing provided by financial intermediaries to final recipients	281 012 214	226 400 000
Number of final recipients	35 940	N/A
Investments made by final recipients due to the received financing	401 425 948	323 428 571

Contribution to achievement of the objectives of the programme

In total 50 agreements have been signed in 16 Member States including a Union contribution of EUR 80 000 000, with a clear geographical balance between Eastern and Western Europe.

For the entire period as of 31 December 2020 (latest available operational data as at 31/03/2020), the main results of the instrument are the following:

- Amount of financing already provided by the instrument to eligible final recipients: EUR 281 010 000
- Number of final recipients: 35 940.
- Number of loans to micro enterprises: 39 439.
- Total amount of investment realised²⁸: EUR 401 420 000.
- Total number of employees (in the supported micro enterprises): 67 288.

Additional operational information

The EPMF FCP-FIS portfolio has reached its end in terms of loan inclusions and results at final recipient level. Therefore, there is no new data to report regarding the social and entrepreneurship impact evaluation report, which remains unchanged compared to the 2019 report.

Based on the 2019 social and entrepreneurship impact evaluation report, the gender breakdown shows that considerable outreach to

women was achieved (34,7% of the micro-borrowers were women).

In addition, 34,7% of individual micro-borrowers who received financing so far were either unemployed or inactive at the time they received their loan. Individuals who were final recipients of micro-loans were, by and large, educated at secondary school level (35,2%). Nevertheless, EPMF FCP-FIS also continues to be important in serving the financing needs of individuals with a higher education beyond secondary school level (39,8%). Regarding the age group with respect to final recipients who are natural persons, the outreach to individuals in disadvantaged age groups (younger and older people combined) remains at noteworthy levels (18,9%).

The minimum target leverage was estimated at 2,83. With an EU contribution of EUR 80 000 000, the minimum support of financing volumes envisaged was EUR 226 400 000.

Performance of the financial instrument

The main performance indicators are presented below:

- Total investments realised (achieved at final recipients' level): EUR 401 420 000
- Achieved multiplier effect: 5.
- Achieved leverage effect (on total financing): 3,54.

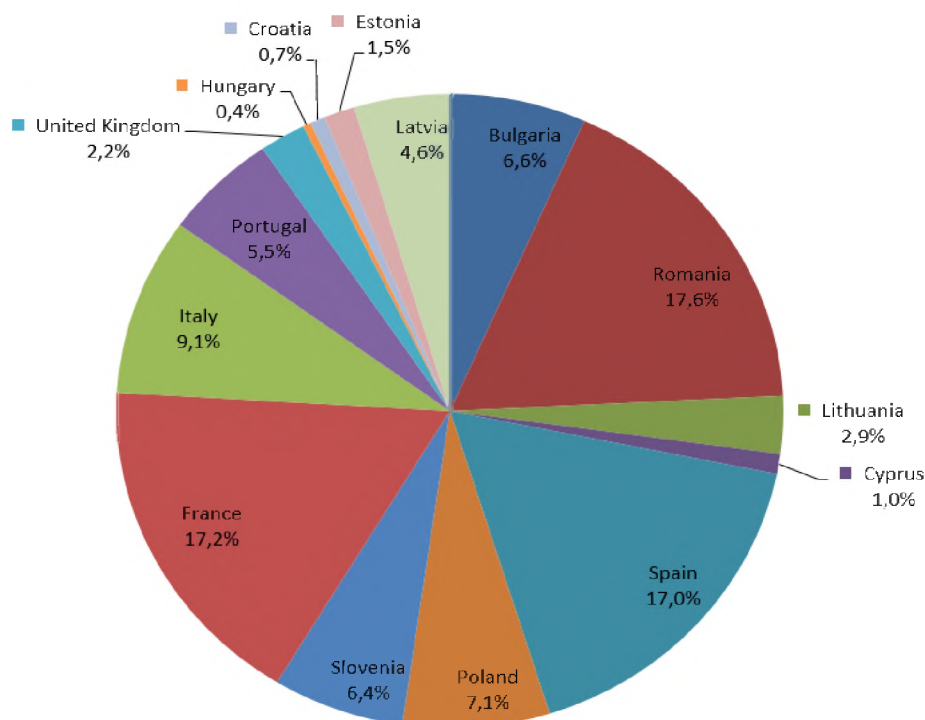
As at 30/09/2020, the European Progress Microfinance Facility including both EPMF-Guarantees and FCP-Funded instruments already provided 60.435 micro-loans to final recipients reaching the volume of EUR 517 210 000, compared to the initial programme target of 46.000 micro-loans with the volume of EUR 500 000 000.

²⁸ The respective figure was calculated by applying a proxy index 7:10 (7 for loan volumes and 10 for investment volumes) which reflects the ratio used under EFSI.

As already presented above, the financial instrument has out-performed the minimum target leverage.

Geographical diversification

As at 30/9/2020, the fund provided financing to 14 Member States and to the United Kingdom.



Main issues for the implementation

Despite the positive effects of the microfinance sector in the area of employment and social inclusion, its growth and sustainability prospects, specifically for non-bank Microfinance Institutions, remain limited without access to stable funding and without the necessary capacity building component.

In addition, risk is inherent in the Fund's activities but is managed through a process of on-going risk identification and measurement, monitoring of the benefited MFIs and other controls regarding the observance of specific portfolio limits and restrictions to ensure that the investments are diversified to an extent that

an adequate spread of the investment risk is reached.

The Management Company monitors these investments on an on-going basis by analysing regular reports (i.e. quarterly financial covenants compliance, quarterly financial statements and key performance indicators such as portfolio, liquidity, capitalisation and profitability) and through direct contact with each financial intermediary and site visits.

The Management Company has in place monitoring processes to identify potential deterioration of counterpart creditworthiness and to anticipate potential impairments on the portfolio and/or review of the counterpart internal rating.

Financial Information

		(in euros)	
	Notes	2020	2019-2020
Capital	1		
Fund's capital			180.000.000
EU stake €			80.000.000
EU stake % (FLP)			0,44
EU Contribution	2		
Commitments		0	80.000.000
<i>of which to technical assistance</i>		0	0
Payments		0	80.000.000
Reflows	3		
Revenues		0	0
Repayments		27.511.897	41349.062
Returned to the general budget		513.296	0
Returned to be used		0	0
Losses from operations	4		
Impairments		-1425.840	11.139.040
Realised losses		0	0
Costs	5		
Management fees		0	8.943.182
<i>of which to EIF</i>		0	8.943.182
		2020	2019
Risk exposure	6		
Financial risk exposure		1876.322	29.071.687
Value of equity investments		1876.322	29.071.687
<i>investment at cost</i>		11.139.040	38.650.938
Fiduciary Account	7		
Balance		0	0

Notes on financial information

2. The total envelope has been paid out in 2016.

5. EIF is entitled to receive a Management Fee and a Conditional Management Fee on a semi-annual basis. The management Fee shall be based on the relevant aggregate outstandings at the relevant Management Fee Calculation Date, and shall be calculated for the relevant Management Fee Period ending on such Management Fee Calculation Date. It has to be noted that Management Fees are partially covered by the revenues of the fund. The audited financial statement adjusted the Management Fee amount to EUR 222 203 (instead of EUR 219 537), which explains the difference compared to last year's reporting.

Source : Financial Statements

6. Source : Financial Statements

3.3b Employment and Social Innovation Sub-Fund (EaSI FIS)

Description

The Employment and Social Innovation Sub-Fund is a second compartment of the EU Microfinance Platform FCP-FIS (the “Fund”). The Fund is structured as a Luxembourg “fonds commun de placement – fonds d’investissement spécialisé” (FCP - FIS) governed by the law of 13 February 2007 relating to specialised investment funds (the “2007 Law”) and launched on 22 November 2010. It is established as an umbrella fund, with two sub-funds at 31/12/2019:

- The EU Microfinance Platform FCP-FIS – European Progress Microfinance Fund (‘EPMF’) which was established in 2010 with a duration of 10 years and is about to be liquidated.
- The EU Microfinance Platform FCP-FIS – Employment and Social Innovation (the ‘EaSI Sub-Fund’) which was launched in October 2019.

The EaSI Sub-Fund is a EUR 200 000 000 loan fund to support lending to micro-enterprises and social enterprises and is another addition to the toolbox of EU instruments dedicated to microfinance and social finance. It shall provide debt instruments in the form of senior and subordinated loans to financial intermediaries to enhance access to finance for micro-enterprises and social enterprises.

The EaSI Sub-Fund aims to replicate the success of its predecessor, the EPMF Sub-Fund, but expands the policy scope to also cover social enterprises.

Final recipients targeted by the EaSI Sub-Fund are in line with the EaSI policy objectives that aim to enhance access to finance for the following categories:

- a. vulnerable persons who have lost or are at the risk of losing their job, or who have difficulties entering or re-entering the labour market, or who are at risk of social exclusion or are socially excluded and who are in a disadvantaged position with regard to access to the conventional credit market and who wish to start up or develop their own micro-enterprise, or
- b. micro-enterprises in both the start-up and development phase, especially micro-enterprises which employ persons as referred to in point (a), or
- c. social enterprises within the meaning of the EaSI Regulation.

Impact on the budget

Initial financial envelope	EUR 67 000 000
Current financial envelope	EUR 67 000 000
Overall financial envelope	EUR 67 000 000

Duration

Commitment period	2019-2020
Implementation period (<i>signatures with 3rd parties</i>)	Until 16/10/2023
Life cycle of operations	Until 31/12/2031

Added value of the Union contribution

The Sub-Fund operations are meant to address a market failure by providing an incentive to Intermediaries to increase access to, and availability of, microfinance and to support the development of the social investment market and facilitate access to finance for social enterprises.

Financial Institutions involved in implementation

The European Union has selected the European Investment Fund to implement the EaSI Sub-Fund.

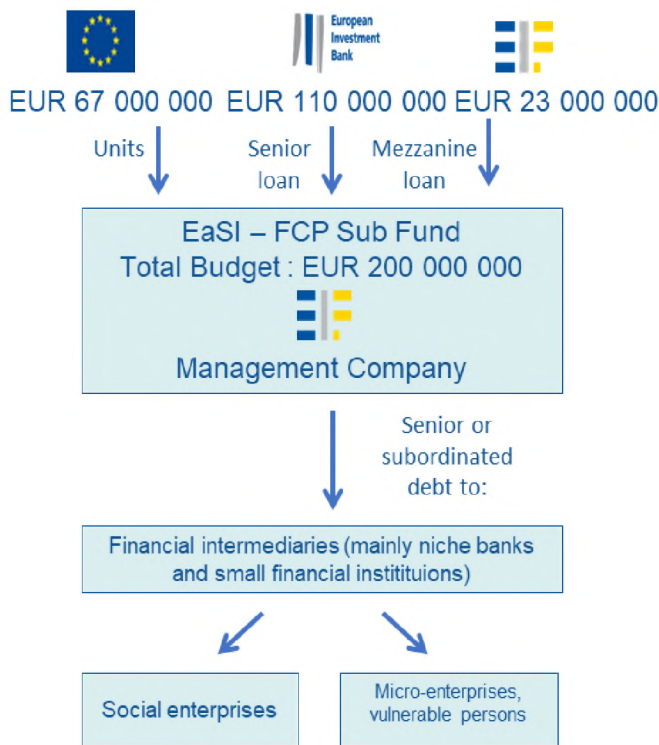
Identification/Reference to the basic act

Decision No 1296/2013/EU of the European Parliament and of the Council of 11 December 2013 establishing a European Progress Microfinance Facility for employment and social inclusion (amended decision No 283/2010).

Budget lines

Item 02.02 99 02

	2020	2021	2022
Budgetary commitment appropriations	19.000.000	0	0
Budgetary payment appropriations	0	32.100.000	9.900.000



Implementation cycle:

The Facility is implemented via a Dedicated Investment Vehicle (DIV) in the form of a Fund. EaSI FCP-FIS provides debt instruments (senior loans and subordinated loans) to selected financial intermediaries. On their part, the selected financial intermediaries on-lend the received financing by developing loan portfolios aiming at specific target groups (self-employed persons, microenterprises, social enterprises).

The loan fund is a partnership between the European Union, the European Investment Bank and the European Investment Fund. The EU budget resources available to the EaSI Sub-Fund are set at EUR 67 000 000 as a first-loss piece investment. The EU will be the only equity-holder in the sub-fund. The European Investment Bank (EIB) and the European Investment Fund (EIF) will provide funding respectively under a senior loan facility of EUR 110 000 000 and a mezzanine loan facility of EUR 23 000 000.

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	19.284.188	67.000.000
Leverage	0	4,5
Multiplier effect	0	6,4
Envisaged operations	3	n/a
Financing provided by financial intermediaries to final recipients	0	300.000.000
Number of final recipients	3	n/a
Investments made by final recipients due to the received financing	0	428.550.000

The EaSI Sub-Fund was established in October 2019. Three agreements with Financial Intermediaries were signed in 2020 for a total of EUR 19 300 000, two in Romania and one in Serbia.

As no final recipient transactions (loans) were reported as at the last reporting date of 30/09/2020, there is no quantitative data available at present to describe to which extent policy objectives of the instrument are starting to materialize. However, given the very good pipeline of operations to be finalised, it is expected that the instrument will indeed provide an incentive for financial intermediaries to increase access to, and availability of, microfinance and to support the development of the social investment market and facilitate access to finance for social enterprises.

Financial Information

		(in euros)	
	Notes	2020	2019-2020
Capital	1		
Fund's capital			67.000.000
EU stake€			67.000.000
EU stake % (FLP)			100,00%
EU Contribution	2		
Commitments		19.000.000	48.000.000
<i>of which to technical assistance</i>		0	0
Payments		-	25.000.000
Reflows	3		
Revenues		0	0
Repayments		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations	4		
Impairments		0	0
Realised losses		0	0
Costs	5		
Management fees		2.154.688	2.587.466
<i>of which to EIF</i>		2.154.688	2.587.466
		2020	2019
Risk exposure	6		
Financial risk exposure		64.009.266	47.377.250
Value of equity investments		22.009.266	24.377.050
<i>investment at cost</i>		25.000.000	25.000.000
Fiduciary Account	7		
Balance		0	0

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Notes on financial information

2. The EU contribution in commitments was finalised in 2020, reaching 100% of the Fund's capital amount.

5. The EIF is entitled to receive management fees on a semi-annual basis.

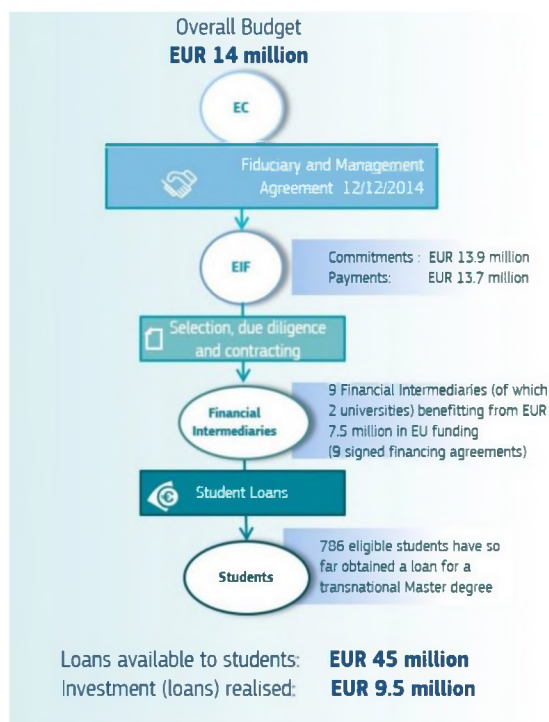
3.4 Erasmus+ Student Loan Guarantee Facility

Description

Identification/Reference to the basic act			
Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC Text with EEA relevance			
Budget lines			
02.029910			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Initial envelope: **EUR 517.000.000**
 Final financial envelope: **EUR 14.000.000**
 Overall financial envelope: **EUR 14.000.000²⁹**

²⁹ Rounded estimation, subject to future resizing of the instrument.

*Implementation Cycle:*

6th year of operations in 2020:

Duration: 12/12/2014 - 31/12/2020

The Student Loan Guarantee Facility of the Erasmus+ programme (2014-2020) aimed to support mobility, equity and study excellence via guarantees to financial institutions that agreed to provide Erasmus+ Master Loans to students for Master's studies in another Erasmus+ Programme country - regardless of the student's social background and at favourable conditions. The EU capped guarantee (90% at individual level, 18% at portfolio level) thus mitigates the risk for financial intermediaries of lending to a group they so far did not consider or found too risky.

The management of the facility was entrusted to the European Investment Fund; the scheme kicked off in June 2015 when the first bank signed up and the first Erasmus+-guaranteed Master loans were disbursed. In this sixth and final year of the facility's operation, six intermediaries were active. No new intermediaries signed up in 2020. The lessons learnt under the pilot scheme were carried forward under a Skills & Education pilot facility under the EFSI initiative.

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	13.911.503	50.000.000
Leverage	5,9	6,2
Multiplier effect	0,4	6,2
Envisaged operations	6	28
Financing provided by financial intermediaries to final recipients	9.506.379	310.000.000
Number of final recipients	786	25833
Investments made by final recipients due to the received financing	9.506.379	310.000.000

- The pilot scheme had a much lower yield than initially envisaged. A number of interesting implementation models were piloted, and are intended to be scaled up under InvestEU, e.g. deferred payment offered to students by universities.
- Currently the scheme remains available to future Master students via 6 financial intermediaries established in 6 Erasmus+ Programme Countries (ES, TR, IT, HR, RO & CY), enabled through EUR 3,99 million³⁰ of signed EU guarantee agreements.
- By end 2020 (Q4 reporting) 786 students have effectively benefited from EUR 9,5 million in EU-guaranteed Master Loans. This is well below initial expectations, and also below the budget available.
- In the light of low take-up, the EIF and the European Commission maintained their commitment to the objectives but continuously downsized the budgetary allocations and reallocated to the Erasmus+ programme's higher education activities (mainly student mobility).
- Beneficiary surveys have been carried out since 2016, with consistently positive results. Overall conclusions for the period 2015-2020³¹ are the following:
 - The **concept is clearly appreciated by students**, [with satisfaction rates well above 70%] and they communicate that it has a particular ‘graduate premium’ in the labour market.
 - Across all years the loan scheme has shown its ability to **increase social mobility** of students, enabling them to engage in postgraduate study and to pursue their education at a university abroad.
 - Establishing the loan scheme was challenging, as **brand identity takes time to build**. The future positioning of the loan guarantee scheme under the InvestEU programme will take into account the ‘lessons learned’ from the first phase and incorporate them in future schemes under the InvestEU banner.

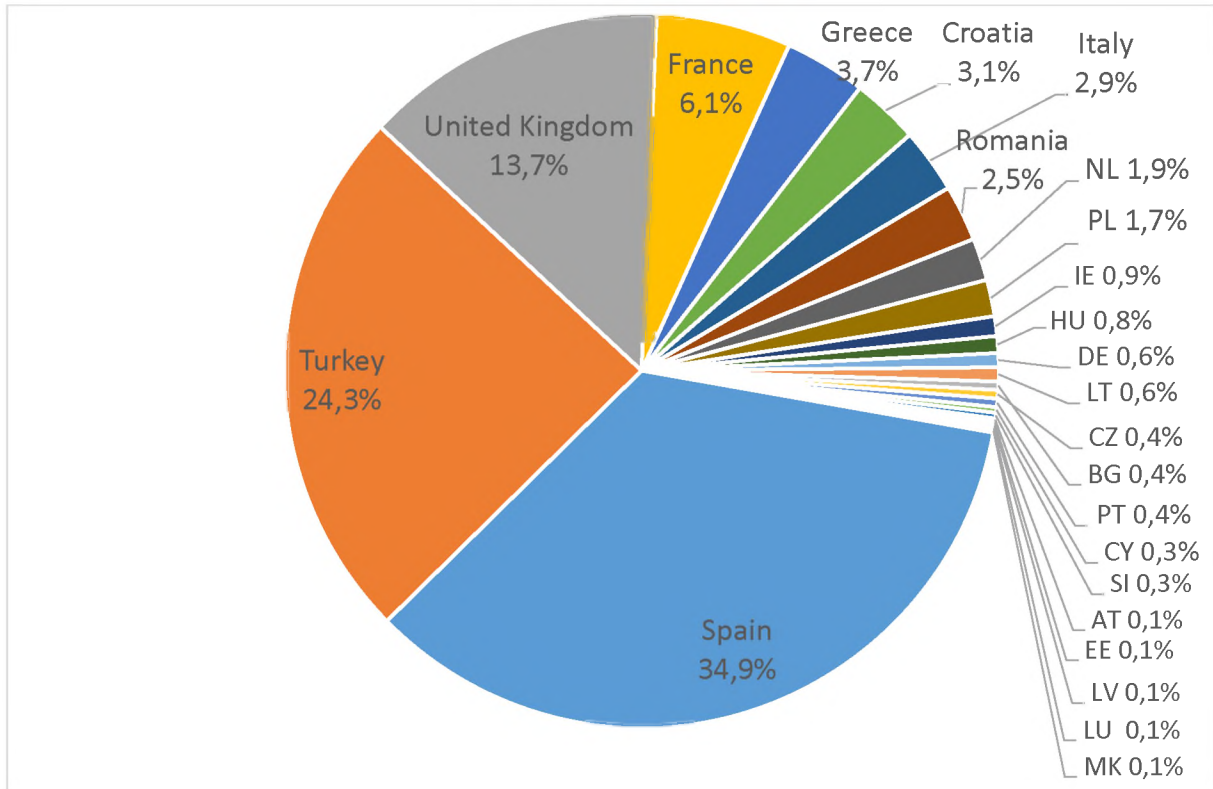
³⁰ Guarantee Cap amount from EIF Financial Statement 31/12/2020.

³¹ The beneficiary surveys had a response rate around 50% annually.

Geographical diversification

At its peak, the facility operated through 9 financial intermediaries established in 8 Erasmus+ Programme Countries. By far the largest number of final recipients comes from those countries where a financial intermediary is or was operating (mainly Spain, UK, Turkey and France), since most intermediaries target outgoing students from within their country.

As the Spanish intermediary is also providing loans to incoming students, the Student Loan Guarantee Facility enabled funding to Master students from 24 Erasmus+ Programme Countries, thus ensuring a truly European dimension. Around 15% of beneficiaries came from countries where no financial intermediary was established.



Main issues for the implementation

- Achieving a sufficient critical mass and adequate geographical spread of Financial Intermediaries (including higher education institutions) across the 33 Erasmus+ Programme Countries was the main challenge for a successful and balanced implementation of the pilot scheme.
- There is still low awareness throughout the supply chain, among financial intermediaries and students, but also

among multipliers – e.g. universities or national promotional institutions.

- Apart from availability through a sufficient number of financial intermediaries, information to and take-up by students appears to be an issue. A social media campaign in 2019-20 supported visibility and take-up in the countries where financial intermediaries were operating.

Financial Information

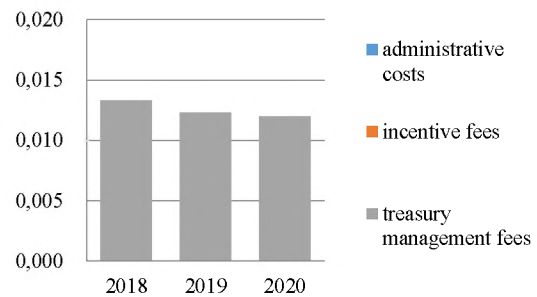
	Notes	2020	2015-2020 (in euros)
Overall budget	1		
Financial envelope available			49.523.671
EU Contribution	2		
Budgetary commitments		0	13.911.503
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		0	0
Budgetary payments		0	22.079.671
Reflows	3		
Revenues		164.727	2.016.177
<i>interest income</i>		164.657	2.016.177
<i>risk remuneration, dividends, fees</i>		0	0
<i>realised gains</i>		0	0
<i>other revenues</i>		70	0
Repayments		-8.368.168	-8.368.168
Payable to the Commission		0	0
Returned to the general budget		480.616	781.569
Returned to be used		-8.368.168	-8.368.168
Losses from operations	4		
Guarantees called		53.506	206.919
<i>guarantee calls recovered</i>		0	0
Equity			
<i>Impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		11.569	6.655.225
<i>administrative costs</i>		0	4.783.083
<i>incentive fees</i>		0	1.806.750
<i>treasury management fees</i>		11.569	65.392
Other operational and financial charges		787.769	3.481.668
<i>negative interest</i>		4.042	4.042
<i>foreign exchange losses</i>		775.877	3.469.776
<i>other charges</i>		7.850	7.850
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		4.192.280	22.092.648
Assets provisioned for risk and liabilities		4.549.715	14.140.841
Value of equity investments		0	N/A
Provisions for risk and liabilities		1.063.753	925.420
Fiduciary Account	7		
Balance in the fiduciary account		4.549.715	14.140.841
<i>in euro</i>		3.636.473	5.349.293
<i>in non-euro currencies</i>		913.242	8.791.548

Part C.1 Table Financial Information

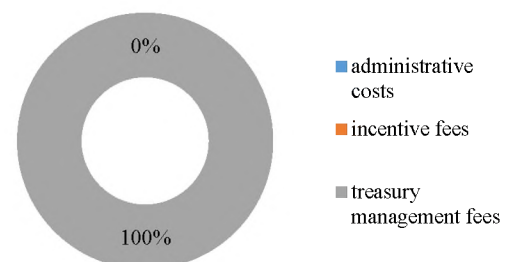
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N.A.

Management fees 2018-2020 (in million)



Management fees 2020



Notes on financial information

1+2) The budgetary commitments have been recalibrated in light of the operational performance below expectation.

3) At the end of 2020 the Commission agreed with EIF a recovery of EUR 8,848,784 excess cash (mainly from discontinued and decommitted FX hedging operations). These reflows have been reallocated to the Erasmus+ programme's higher education activities.

4) Given the low take-up by students, also the level of defaults is low. This may increase in the next years, as students are finalising their studies and start repaying their loans.

5) As the amount of fees for EIF's management has reached the cap level for administrative and performance fees, only asset management fees were paid in 2020.

Foreign currency portfolios (in TRY mainly, as non-speculative hedging against exchange rate risks) have yielded some positive interest, but have also resulted in substantial exchange losses.

7) Risks on negative interest have been minimised through an avoidance strategy by EIF. A continued reduction of the Minimum Reserve to EUR 1 million was agreed with EIF for 2020 & next years.

4.1 COSME Loan Guarantee Facility (LGF)

Description

Identification/Reference to the basic act

Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC

Budget lines

_02.029901

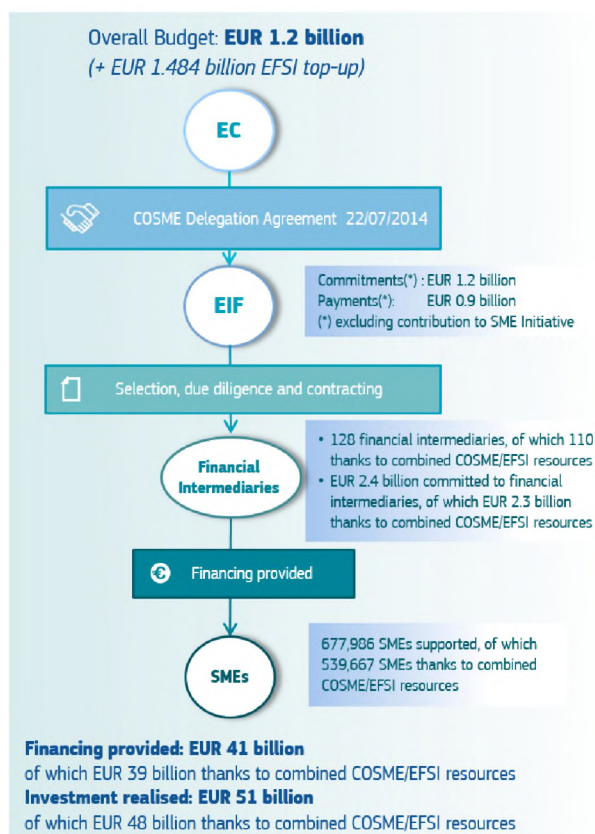
	2020	2021	2022
Budgetary commitment appropriations	275,160,253	-	-
Budgetary payment appropriations	323,171,522	217,077,957	94,718,650

Initial financial envelope³²: EUR 717 million³³

Current financial envelope: EUR 1.2 billion

Overall financial envelope: EUR 1.2 billion

Implementation cycle:



The COSME Loan Guarantee Facility (LGF) consists of capped portfolio guarantees or counter-guarantees for higher risk debt financing, including subordinated and participating loans, bank guarantees, leasing transactions and working capital financing. The LGF also covers securitisation of SME debt finance portfolios, providing guarantee coverage on a part of the mezzanine tranche of a securitised SME lending portfolio coupled with an undertaking by the originating institutions to build up a new SME loan portfolio.

The LGF covers, except for loans in the securitised portfolio, loans up to EUR 150 000 and with a minimum maturity of 12 months. It may also cover loans above EUR 150 000 in cases where SMEs do not meet the innovation criteria specified in the InnovFin SME Guarantee Facility. Individual transactions can be guaranteed for up to 10 years.

Implementation arrangements

The LGF is implemented by the EIF on behalf of the Commission. The Delegation Agreement signed with the EIF in 2014 ensures that the LGF is accessible for a broad range of financial intermediaries (guarantee societies, national promotional institutes, commercial banks, cooperatives, etc.) with experience / capacity to enter into financial transactions with SMEs.

The LGF may also contribute to the financial instruments deployed under the SME Initiative, a joint instrument combining COSME and/or Horizon 2020 EU funds and ESIF resources in cooperation with EIB/EIF with a view to generate additional lending to SMEs in specific Member States³⁴.

³² The COSME basic act provides that no less than 60% of the total financial envelope for the implementation of the COSME programme shall be allocated to the financial instruments.

³³ Based on the forecast distribution between the loan guarantee and equity facility in the legislative statement accompanying the COSME basic act, 52% of the overall budget was foreseen to be allocated to the LGF and 48% to the EFG.

³⁴ The LGF contribution to the SME Initiative Italy (securitisation option) is covered in fiche 4.9 (SME Initiative).

4.1 COSME Loan Guarantee Facility (LGF)

The EIF is responsible for evaluating and selecting the financial intermediaries. The related open call for expression of interest for financial intermediaries published by the EIF is available at:

http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/cosme-loan-facility-growth/index.htm

However, applications are no longer accepted as the programming period ended in 2020.

Target final recipients under the capped portfolio guarantees and the securitisation transactions are SMEs without a specific sector focus.

Duration

The guarantee instrument is planned to last until 31 December 2034 (until last operations are wound down).

Added value

The EIF provides under the LGF (counter-) guarantees for a portfolio of newly generated SMEs transactions which have a higher risk profile than transactions offered by the financial intermediary under its normal business practice, thereby providing financing to SMEs that otherwise would not be able to obtain financing.

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution Committed (including EFSI top-up)	2,408,915,107	2,684,450,345
Leverage	17	25
Multiplier effect	21	31
Envisaged operations	154	172
Financing provided by financial intermediaries to final recipients	40,584,094,526	67,000,000,000
Number of final recipients	677,986	1,000,000
Investments made by final recipients due to the received financing	50,730,118,158	84,000,000,000

Due to continuous high market demand, the available LGF budget envelope was reinforced with several top-ups from the European Fund for Strategic Investments' (EFSI) SME Window for a total of nearly EUR 1.5 billion, allowing the continuation of the accelerated roll-out of EU guaranteed financing of higher risk SME transactions. The EFSI top-up supported transactions related to the digitalisation pilot launched in 2019 and a response to the COVID-19 virus outbreak and its economic impact in 2020.

At the end of 2020, 154 (counter-)guarantee agreements had been signed with 128 financial intermediaries (promotional institutes, guarantee societies, commercial banks & leasing companies) for an EU Contribution of nearly EUR 2.4 billion, of which EUR 2.3 billion thanks to combined COSME/EFSI resources.

Under these agreements, a maximum amount of financial support of up to EUR 67 billion will be made available to SMEs that otherwise would not be able to get the financing they need.

At the end of 2020, the LGF provided nearly EUR 41 billion of financial support to more than 600 000 SMEs, of which EUR 39 billion to more than 500 000 SMEs from combined LGF/EFSI resources.

The financing provided triggers significant additional investments of 21-29% by the SMEs, with medium or large SMEs investing higher amounts than small ones³⁵. The amount of investments realised is estimated³⁶ at EUR 51 billion by the end of 2020.

In reaction to the 2020 COVID crisis, EUR 714 million from the European Fund for Strategic Investments were redirected to the COSME Loan Guarantee Facility to allow the European Investment Fund (EIF) to incentivise banks to provide liquidity to SMEs affected by the COVID crisis. More flexibility was given to users of the Facility, and the guarantee rate was increased from 50 to 80%. So far (as of 31/12/2020), this helped more than 45,000 European SMEs to access around EUR 3 billion of liquidity finance under the COSME COVID measure.

Available data shows that the LGF more specifically supports smaller and younger SMEs that encounter more difficulties to obtain the financing they need. Currently, more than 88% of the SMEs receiving finance have below 10 employees.

³⁵ Cf. results of a survey carried out as part of the COSME interim evaluation, Final report:
<https://ec.europa.eu/docsroom/documents/28084>

³⁶ Using a proxy of 1,25 between financing and investment amount.

Overall, it is expected that the LGF, will generate more than EUR 67 billion of financing to at least 1,000,000 SMEs over the lifetime of the programme, leading to more than EUR 80 billion of investments. This shows that the LGF has an important impact on the real economy in the EU and participating third countries of COSME.

Evaluations

The LGF has been assessed twice in 2017, first by the European Court of Auditors³⁷ and secondly as part of COSME's interim evaluation³⁸. Both assessments show that the LGF performs successfully. It is properly designed to help SMEs, which would otherwise struggle to obtain finance, to increase total assets, sales and employees when compared to the general SME population. The impact of the facility could be further strengthened by coordinating better with Member State activities. The additionality was identified as 63% out of the expected higher one.

The interim evaluation concluded that for each EUR 1 million invested into the LGF (effects fully attributable to the Loan Guarantee Facility), SMEs will benefit via 491 additional jobs created and EUR 22 million in additional turnover.

Based on lessons learned from audits and other assessments, the Commission proposed to set up one single programme (InvestEU Programme 2021-2027) establishing one single fund (the InvestEU Fund). It builds on the successful model of the European Fund for Strategic Investments. The InvestEU fund will ensure a streamlined approach towards the management and reporting on financial instruments/budgetary guarantees. Under the InvestEU fund, financial products catering towards the Commission's policy priorities, including the financing of SMEs, will be established.

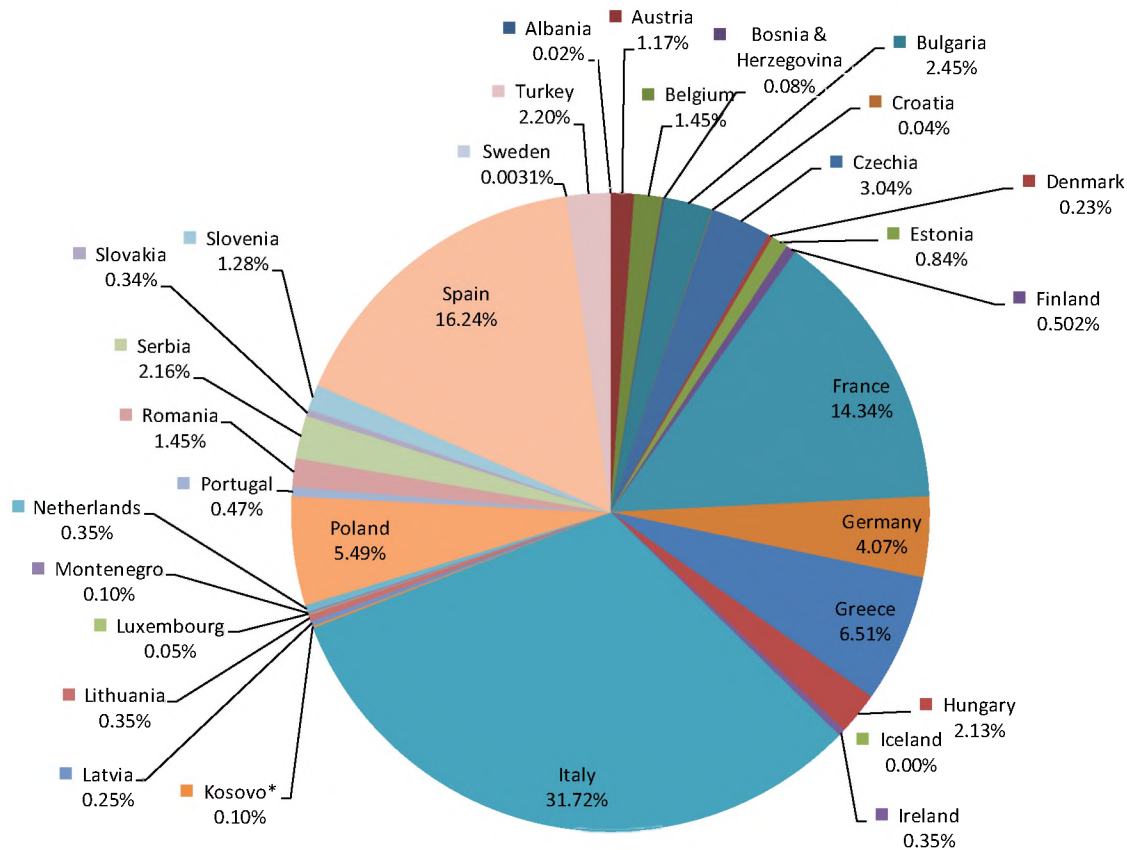
³⁷ Special report No 20/2017: EU-funded loan guarantee instruments: positive results but better targeting of beneficiaries and coordination with national schemes needed, available at <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=44174>

³⁸ Interim evaluation of the COSME Programme, Final report available at <https://ec.europa.eu/docsroom/documents/28084>

Geographical diversification

By the end of 2020, the LGF provided guarantees and counter-guarantees to financial intermediaries located in 33 countries (26 Member States and 7 countries participating to

COSME) which supported financing of SMEs in 33 countries, as detailed below, namely the distribution of EUR 41 billion financing to more than 600,000 SMEs.



* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

Main issues for the implementation

No particular risks as per the period up to end 2020. Looking forward to the post-programming implementation 2021-2034, due to the Covid-19 outbreak and the economic crisis arising as a consequence, resources committed towards the LGF are expected to be insufficient to avoid disruption in the last years of the programme and the transition towards next multiannual financial framework for the years 2021 to 2027.

No critical risks have been identified with regard to eligibility of financial intermediaries and final recipients, contractual compliance process and performance.

Financial Information

	Notes	2020	2014-2020
(in euros)			
Overall budget	1		
Financial envelope available			1,200,450,345
EU Contribution	2		
Budgetary commitments		275,160,253	1,200,450,345
of which from third countries		7,482,137	47,050,729
of which from reflows		-	-
Budgetary payments		323,171,522	885,249,740
Reflows	3		
Revenues		3,972,887	12,939,899
interest income		3,953,027	12,887,780
risk remuneration, dividends, fees		19,860	52,119
realised gains		-	-
other revenues		-	-
Repayments		-	-
Payable to the Commission		-	-
Returned to the general budget		-	-
Returned to be used		-	-
Losses from operations	4		
Guarantees called		104,485,624	223,579,968
guarantee calls recovered		8,119,246	16,120,587
Equity			
Impairments		-	-
realised losses		-	-
Costs	5		
Management fees		16,947,772	73,354,288
administrative costs		7,726,678	33,682,677
incentive fees		8,830,490	38,494,042
treasury management fees		390,604	1,177,569
Other operational and financial charges		11,062,559	18,368,746
negative interest		809,697	2,269,057
foreign exchange losses		10,240,862	16,087,339
other charges		12,000	12,350
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		998,286,646	810,963,037
Assets provisioned for risk and liabilities		596,117,557	402,243,988
Value of equity investments		-	-
Provisions for risk and liabilities		906,745,239	739,752,069
Fiduciary Account	7		
Balance in the fiduciary account		595,997,940	401,223,026
in euro		186,983,076	148,967,225
in non-euro currencies		409,014,864	252,255,801

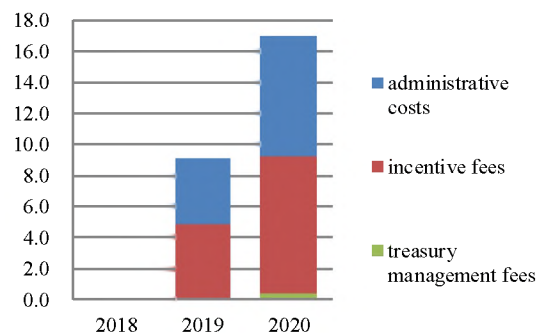
Notes on financial information

- The financial envelope available is composed of the amounts committed towards the LGF for the years 2014-2020 in line with the amounts allocated towards the LGF in 2014-2020 as foreseen in the COSME work programs (as adopted).
- At the end of 2020, all commitment appropriations as authorised by the European Parliament and the Council of the EU for the period 2014-2020 were used in line with the planned operational implementation. The Loan Guarantee Facility has a rather accelerated budgetary implementation ratio, with a 74% budgetary execution rate of payments in comparison to commitments as of 31 December 2020. It is expected that already by the end of 2022 the budgetary implementation ratio would reach 100%, i.e. payment appropriations would match almost in full commitment appropriations.

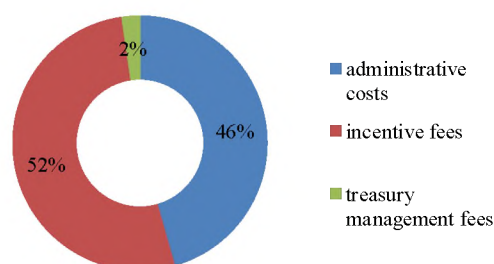
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

NA

Management fees 2018-2020 (in million)



Management fees 2020



- Payment appropriations are needed to allow the implementation partner (the European Investment Fund) to honour guarantee calls from financial intermediaries for defaulting loans, to hedge currency exposures (as a large number of financing is made available to SMEs in countries which are not part of the euro zone) and to pay implementation fees.
- In line with Article 209 (3) of the Financial Regulation, 2020 revenues are used to cover part of the management costs and fees of 2020. During the same year no repayments were received.
- All management fee payments to the EIF were correctly executed within the contractual limits set. In 2018 the agreed management fee limits were reached resulting in zero charges for administrative costs and incentive fees in 2018.

4.2 COSME Equity Facility for Growth (EFG)

Description

Identification/Reference to the basic act

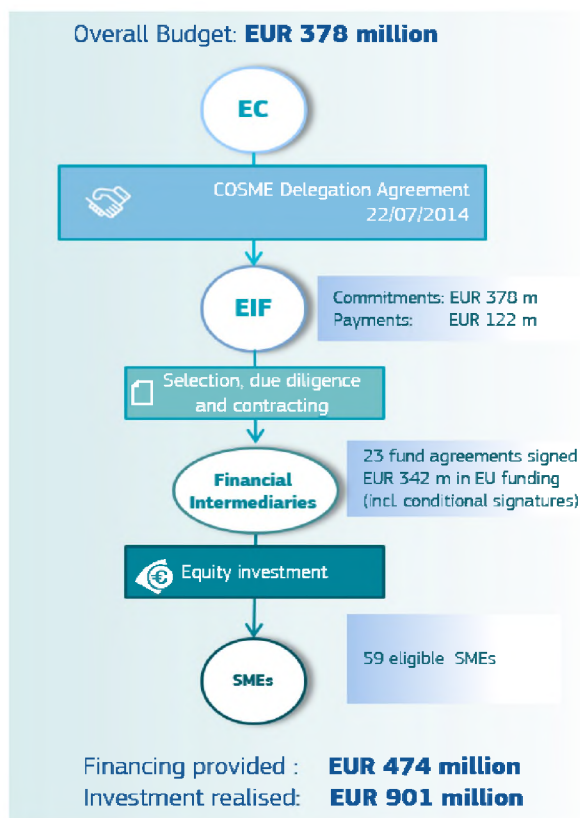
Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC

Budget lines

02.029901

	2020	2021	2022
Budgetary commitment appropriations	13,100,000	-	-
Budgetary payment appropriations	27,508,246	23,008,813	55,281,350

Initial financial envelope : EUR 662 million
Current financial envelope: EUR 378 million
Overall financial envelope: EUR 378 million

*Implementation cycle:*

The Equity Facility for Growth (EFG) provides enhanced access to risk capital for which significant market gaps exist in Europe and supports the development of a pan-European risk capital market. The latter will be achieved by focusing investments predominantly in those risk capital funds which invest cross-border.

The EFG is a successor to the High Growth and Innovative SME Facility (GIF2) under the Competitiveness and Innovation Framework Programme (CIP, 2007-2013).

Implementation arrangements

The EFG is implemented by the European Investment Fund (EIF) on behalf of the Commission, as a window of a single Union equity financial instrument supporting EU enterprises' growth and research and innovation from the early stage, including seed, up to the growth stage. It focuses on funds that provide venture capital and mezzanine finance, such as subordinated and participating loans, to expansion and growth-stage enterprises, in particular those operating across borders, while having the possibility to make investments in early stage enterprises in conjunction with the equity facility for Research, Development and Innovation (RDI) under Horizon 2020. Support is given in the form of direct investments made by the EIF in financial intermediaries that provide equity or quasi-equity financing to SMEs or indirect investments via funds-of-funds as part of the Pan-European VC funds-of-funds project.

The 2014 Delegation Agreement with the EIF ensures that the EFG is accessible to a broad

4.2 COSME Equity Facility for Growth (EFG)

range of financial intermediaries provided that these are professionally and independently managed and that the funds are located in a COSME participating country.

From a technical point of view, the EIF is instructed to invest on a *pari-passu* basis with other private and public investors. Final target recipients are SMEs in their growth and expansion stage without a specific sector focus.

The EIF is responsible for evaluating and selecting financial intermediaries according to the Delegation Agreement. The related continuous open call for expression of interest for financial intermediaries published by the EIF is available at

http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/cosme_efg/index.htm

However, no more applications are accepted since the programming period has ended in 2020.

Duration

The instrument is planned to last until 31 December 2034 (until last operations are wound down).

Added value

The added value of the EFG lies, inter alia, in strengthening the internal market for venture capital and in developing a pan-European SME finance market, in transferring best practices and the standardisation of documentation across participating countries, as well as in addressing market failures that cannot be addressed by Member States on their own.

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution Committed	378,100,000	378,100,000
Leverage	1.3	4
Multiplier effect	2.4	7.5
Envisaged operations	23	23
Financing provided by financial intermediaries to final recipients	473,984,072	1,500,000,000
Number of final recipients	59	205
Investments made by final recipients due to the received financing	900,569,737	2,850,000,000

At the end of 2020, 23 fund agreements have been signed under the EFG for a total EU Contribution to financial intermediaries of EUR 378 million, out of which 4 signatures on a conditional basis. 17 agreements relate to Growth and Expansion Stage funds. 6 relate to Multi-Stage funds in combination with the InnovFin Equity Facility for Early Stage set up under Horizon 2020.

Under the 23 agreements currently signed, an overall amount of EUR 1.5 billion of risk capital is expected to be invested in around 205 eligible final recipients (Expansion & Growth-stage SMEs) over the investment period of the funds (usually 5 years from the closure of the fund). This estimation is based on a target leverage of 1:4 by taking into account the target leverage effect as indicated in the COSME legal base. It ranges between 1:4 and 1:6. Furthermore, the EUR 1.5 billion of risk

capital would lead to an overall investment of nearly EUR 2.9 billion^{39, 40}.

At the end of 2020, more than EUR 470 million of financial support was provided to 59 eligible SMEs in 13 countries (see graph for geographical diversification), leading to an estimated EUR 901 million of overall investments.

³⁹ Estimation based on EIF – EFSI multiplier calculation methodology for equity, with 1.9 EUR of mobilised investments for 1 EUR of mobilised financing.

⁴⁰ The COSME basic act provides that (i) overall value of venture capital investments should have ranged from EUR 2.6 billion to EUR 3.9 billion and (ii) number of firms receiving venture capital investments should have ranged from 360 to 540. However, those projections were based on a forecast distribution between the loan guarantee and equity facility in the legislative statement accompanying the COSME basic act: 52% of the overall budget was foreseen to be allocated to the LGF and 48% to the EFG. Whereas, the allocation for the EFG is 24% for 2014-2020.

An additional implementation mechanism in the form of a contribution to the Pan-European VC Funds-of-Funds project has been put in place in February 2017 under the EFG. Two signatures with Funds-of-Funds managers took place in 2018 and 2019 for a total contribution of EUR 53 million. Those two Funds-of-Funds continue with the implementation of their investment strategies.

The EFG invests in Expansion and Growth Stage and Multi-Stage equity funds alongside other investors that also invest in such funds on a pari-passu basis. The EFG invests up to 25% of the fund size, whereas the rest comes from other investors (public and private). In general, 70% of funding is provided by private investors and 30% comes from public investors. Private investors include banks (investing at own risk and from own resources), private endowments and foundations, family offices, Business Angels, private individuals, corporate investors, insurance companies and pension funds.

Evaluations

The EFG has been assessed twice, first as part of COSME's interim evaluation⁴¹ and secondly by the European Court of Auditors⁴². These assessments show that the EFG adds value by contributing to a favourable investment environment for growth-oriented SMEs; despite that the EFG has limited take up due to: multiannual investment periods, priority of Expansion and Growth Window under the EFSI Equity instrument EFSI, etc. The impact of the EFG could be further strengthened by aligning with other EU equity products. The additionality could not be measured at the time of the COSME's interim evaluation due to the limited number of investments at that time.

Based on lessons learned from audits and other assessments, the Commission proposed to set up one single programme (InvestEU Programme 2021-2027) establishing one single fund (InvestEU Fund). It builds on the successful model of the European Fund for Strategic Investments. The InvestEU will ensure a streamlined approach towards the management and reporting on financial

instruments/budgetary guarantees. Under the InvestEU fund, financial products catering towards the Commission's policy priorities, including the financing of SMEs, will be established.

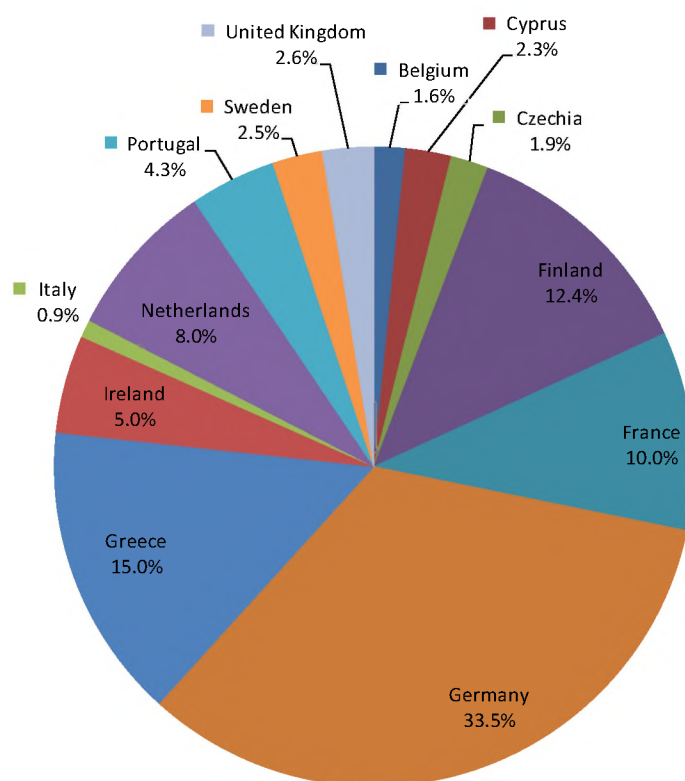
⁴¹ Interim evaluation of the COSME Programme, Final report available at <https://ec.europa.eu/docsroom/documents/28084>

⁴² Special report No 17/2019: Centrally managed EU interventions for venture capital: in need of more direction, available at <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=51616>

Geographical diversification

At the end of 2020, the EFG helped to provide investments to SMEs in their expansion and growth stage in 13 Member States. From the overall financing volume of more than EUR

470 million, 34 % has been invested in Germany, followed by 15 % in Greece and 10 % in France.



Main issues for the implementation

- Compared to guarantee agreements, the due diligence process for equity is much more complex, and necessitates more time (e.g. due to the fund-raising process involved from various investors) which has resulted in a slower implementation of the EFG.
- The implementation of the EFG is furthermore impacted by the establishment of the Expansion and Growth Window under the EFSI Equity instrument, which has largely the same investment focus as the EFG. As a result, an order of priority has been established whereby the EIF shall first absorb investment capacity available

under the EFSI Expansion and Growth Window before making use of EFG resources for investments taking place in Member States. However, the EFG also targets investments in third countries participating in the COSME programme and these investments will continue to be made under the EFG only. As a consequence of reduced market demand for the EFG in Member States, the 2018-2020 EFG budget allocation was sized accordingly.

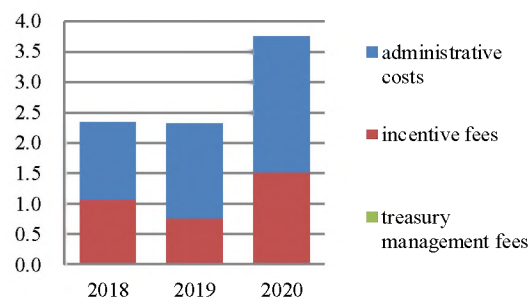
Financial Information

	Notes	2020	2014-2020
(in euros)			
Overall budget	1		
Financial envelope available		13,100,000	378,100,000
EU Contribution	2		
Budgetary commitments		13,100,000	378,100,000
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		13,028,250	86,980,419
Budgetary payments		27,508,246	121,568,474
Reflows	3		
Revenues		376,868	585,137
<i>interest income</i>		121	29,433
<i>risk remuneration, dividends, fees</i>		12,525	64,806
<i>realised gains</i>		-	-
<i>other revenues</i>		364,222	490,898
Repayments		3,148,947	3,307,121
Payable to the Commission		-	-
Returned to the general budget		-	-
Returned to be used		-	-
Losses from operations	4		
Guarantees called		-	-
<i>guarantee calls recovered</i>		-	-
Equity			
<i>Impairments</i>		-	-
<i>realised losses</i>		-	-
Costs	5		
Management fees		3,752,271	17,992,938
<i>administrative costs</i>		2,234,489	10,413,889
<i>incentive fees</i>		1,500,000	7,428,157
<i>treasury management fees</i>		17,782	150,892
Other operational and financial charges		37,270	985,221
<i>negative interest</i>		28,770	294,922
<i>foreign exchange losses</i>		0	681,777
<i>other charges</i>		8,500	8,522
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		352,320,601	241,788,292
Assets provisioned for risk and liabilities		-	-
Value of equity investments		104,149,387	71,047,888
Provisions for risk and liabilities		-	-
Fiduciary Account	7		
Balance in the fiduciary account		14,791,035	14,495,128
<i>in euro</i>		11,406,617	9,875,019
<i>in non-euro currencies</i>		3,384,418	4,620,109

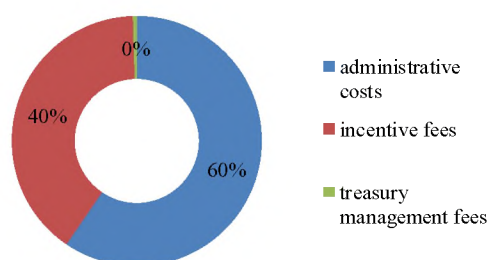
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

NA

Management fees 2018-2020 (in million)



Management fees 2020



Notes on financial information

- The financial envelope available is composed of the amounts committed towards the EFG for the years 2014-2020 and of the amounts allocated towards the EFG in 2020 as per the COSME work programme
- The 2020 EU Contribution Committed includes internal assigned revenues of EUR 9.9 million generated by the second window of the High Growth and Innovative SME Facility established under the predecessor Competitiveness and Innovation Programme (GIF2 repayments), bringing the overall amount of GIF2 repayments committed towards the EFG to EUR 84 million.

At the end of 2020, all commitment appropriations as authorised by the European Parliament and the Council of the EU for the period 2014-2020 were used in line with the planned operational implementation.

The Equity Facility for Growth has a rather low budgetary implementation ratio, i.e. 32% budgetary execution rate of payments in comparison to commitments as of 31 December 2020 due the implementation specificities:

- Payment appropriations are needed to allow the implementation partner (the European Investment Fund) to honour drawdown notices from fund managers, who will use the cash to invest in portfolio

companies. Since it is industry standard that venture capital fund managers have up to 5 years to make the first initial investments into SMEs following the creation of the venture fund, there is a significant delay between the time of signature of a fund agreement by the EIF and the respective drawdown notices by the fund managers. And following the initial investment by the fund manager, funds can hold on to their portfolio companies for up to 10-years during which they can undertake follow-on investments to grow the companies. This pattern of activity explains why there is a significant time delay between commitment and payment appropriations in the case of venture capital investments.

(ii) In addition, the Equity Facility for Growth prioritised funds focused on investments in COSME third countries participating in the programme, whereas these third countries cannot be supported under the SME window of the European Fund for Strategic Investments. However, demand from these jurisdictions continues to be limited.

3. In line with Article 209 (3) of the Financial Regulation, 2020 revenues are used to cover part of the management costs and fees of 2020. In line with Article 209 (3) of the Financial Regulation, 2020 repayments are used for the same financial instrument, i.e. the Equity Facility for Growth.

4.3 SMEs & Small Midcaps R&I Loans Service under Horizon 2020 (Innovfin SME Guarantee)

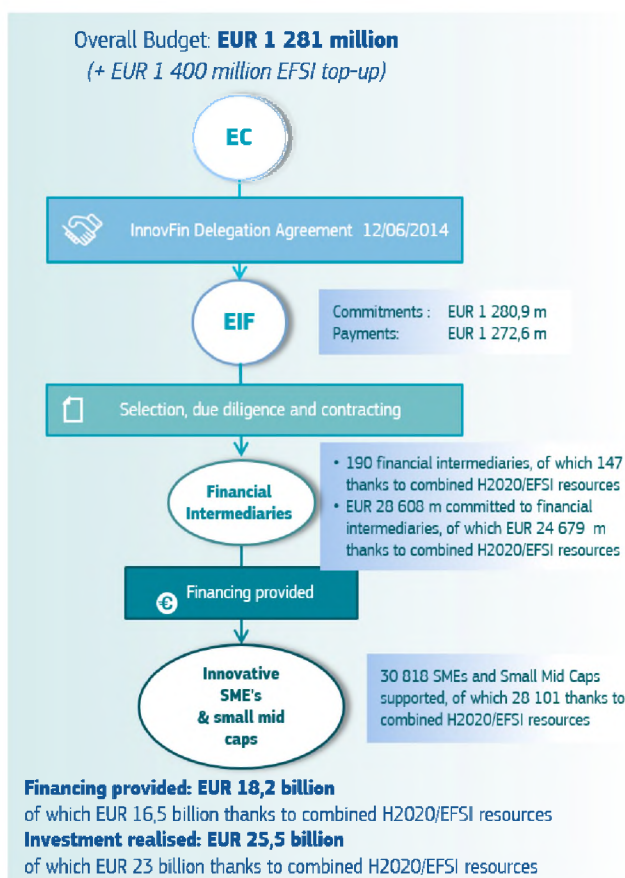
Description

Identification/Reference to the basic act			
Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/104, 20.12.2013).			
Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" (OJ L 347/81, 20.12.2013).			
Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/965, 20.12.2013).			
Budget lines			
02 02 99 03			
	2020	2021	2022
Budgetary commitment appropriations	144.910.000	0	0
Budgetary payment appropriations	80.000.000	50.000.000	8.300.000

Initial envelope: EUR 1.000.000.000
 Current financial envelope: EUR 1.280.914.300
 Overall financial envelope: EUR 1.280.914.300

Implementation cycle:

This instrument addresses the financing gap for innovative SMEs and Small Midcaps (with up to 499 employees) for their investments in innovative products and processes containing significant technology or application risks. The EU and the EIF, as risk-sharing partners at EU level, support loan finance to such innovative SMEs and Small Midcaps through direct or indirect guarantees which the EIF is providing to financial intermediaries such as banks, who extend the actual loans to final recipients. The guarantee covers up to 50% of intermediaries' potential losses. The EIF also offers counter-guarantees to financial intermediaries (such as guarantee institutions) providing risk protection to banks extending loans to R&I-driven SMEs and small midcaps. This facility is available since 10 June 2014. Due to the advantages the InnovFin SME Guarantee offers, notably in the form of risk-sharing and capital relief for banks, guarantee institutions and other financial intermediaries, this instrument is able to successfully address the financing gap for innovative small companies. Based on the Union budget coming from Horizon 2020, the risk-sharing arrangements between the EU and EIF as well as between the EIF and its financial intermediaries, a significant loan and lease volume in support of innovative small companies and their investment takes place.



4.3 SMEs & Small Midcaps R&I Loans Service under Horizon 2020 (Innovfin SME Guarantee)

R&I-driven SMEs or small midcaps wishing to apply for a loan should contact one of the financial intermediaries signing an agreement (see Selection procedure) with the EIF. This is a demand-driven facility, with no prior allocations between sectors, countries or regions. However, the Commission incentivises the EIF to make a particular effort to ensure that a significant proportion of final recipients are eco-innovative SMEs and small midcaps. Financial intermediaries selected by entrusted entities for the implementation of financial instruments may include private financial institutions as well as governmental and semi-governmental financial institutions, national and regional public banks as well as national and regional investment banks

a) For financial intermediaries: the EIF issues calls for expression of interest, with eligibility and selection criteria defined as part of each call after consultation with DG Research & Innovation.

b) For loans: according to the internal processes of the intermediary bank or other financial institution that the SME or small midcap applies to, using normal commercial criteria

Duration:

The facility is planned to last until 31 December 2033 (until the last operations are wound down).

Operational Performance

As at 31/12/2020, the Innovfin SME Guarantee already contributed to provide 18 201 million EUR of financing to 30 818 final recipients, accounting for an estimated 25 482 million EUR investment amount. For the period 2014-2020, it was targeted before EFSI additional support to mobilize a loan and lease volume of

approximately EUR 9,5 billion in support of 3.0000 innovative companies and their investments in RDI.

The successful roll-out of InnovFin SMEG continued in 2020, also thanks to the additional risk bearing capacity available from the SME Window of EFSI.

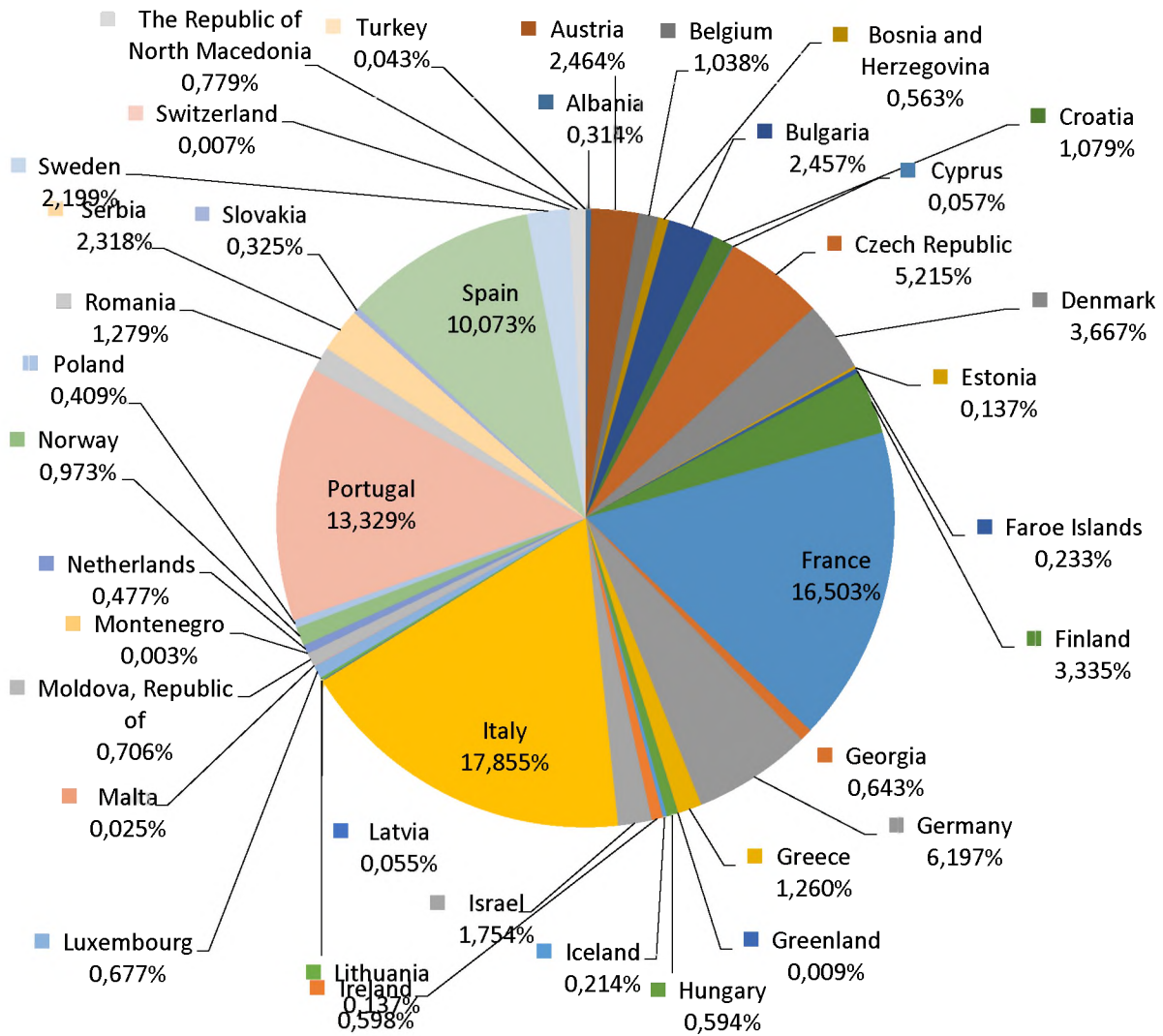
<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed including EFSI guarantee	2.680.914.300	2.030.000.000
Leverage	6,79	9
Multiplier effect	9,5	12,6
Envisaged operations	190	220
Financing provided by financial intermediaries to final recipients	18.201.535.594	18.270.000.000
Number of final recipients	30.818	42.000
Investments made by final recipients due to the received financing	25.482.149.831	25.578.000.000

Geographical diversification

InnovFin SME Guarantee is implemented in 26 Member States and 16 Associated Countries or UK to Horizon 2020. The chart below shows

how the EUR 18.2 billion in financing is distributed by country.

4.3 SMEs & Small Midcaps R&I Loans Service under Horizon 2020 (Innovfin SME Guarantee)



Main issues for the implementation

It will be crucial for the implementation of the InnovFin SME Guarantee to attract a sufficient number of financial intermediaries (banks and guarantee institutions) as risk-sharing partners of the EIF and loan providers to final recipients.

In this context, the fees charged to financial intermediaries need to reflect the risk taken at

EU level while, at the same time, offering risk-sharing and capital relief for financial intermediaries.

The contractual arrangements between the European Commission (represented by DG RTD) and the EIF allow for flexibility as regards product development for the period 2014-2020.

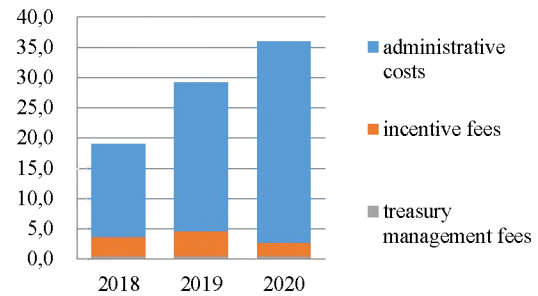
Financial Information

		(in euros)	
	Notes	2020	2014-2020
Overall budget	1		
Financial envelope available			1280.914.300
EU Contribution	2		
Budgetary commitments		177.675.765	1280.914.300
<i>of which from third countries</i>		8.222.578	8.222.578
<i>of which from reflows</i>		24.465.765	10.609.627
Budgetary payments		17.1496.089	1272.614.300
Reflows	3		
Revenues		6.224.182	26.203.381
<i>interest income</i>		4.023.995	8.957.554
<i>risk remuneration, dividends, fees</i>		99.983	308.883
<i>realised gains</i>		2.100.204	6.936.944
<i>other revenues</i>		0	0
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be used		6.716.958	20.016.069
Losses from operations	4		
Guarantees called		69.616.487	165.226.491
<i>guarantee calls recovered</i>		2.731.405	8.110.023
Equity			
<i>Impairments</i>		N/A	N/A
<i>realised losses</i>		N/A	N/A
Costs	5		
Management fees		36.009.226	147.613.648
<i>administrative costs</i>		33.364.135	109.447.507
<i>incentive fees</i>		2.189.360	35.872.241
<i>treasury management fees</i>		455.731	2.293.900
Other operational and financial charges		3.399.193	17.171.752
<i>negative interest</i>		3.399.193	18.793.173
<i>foreign exchange losses</i>		0	3.378.579
<i>other charges</i>		0	0
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		978.099.809	895.678.899
Assets provisioned for risk and liabilities		1017.982.339	935.878.808
Value of equity investments		0	0
Provisions for risk and liabilities		700.621.637	548.954.453
Fiduciary Account	7		
Balance in the fiduciary account		75.984.687	132.005.953
<i>in euro</i>		5.217.792	77.610.311
<i>in non-euro currencies</i>		70.766.895	54.395.642

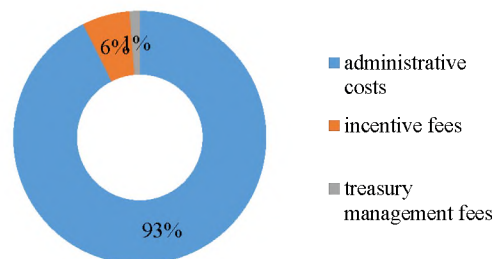
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)



Management fees 2020



Notes on financial information:

5. Administrative costs include cumulative risk fees for an amount of EUR 60,8 million.

4.4 Equity Facility (early-stage capital) for Research and Innovation of Horizon 2020 (InnovFin Equity)

Description

Identification/Reference to the basic act

Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/104, 20.12.2013).

Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" (OJ L 347/81, 20.12.2013).

Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/965, 20.12.2013).

Budget lines

02 02 99 03

	2020	2021	2022
Budgetary commitment appropriations	40.000.000	0	0
Budgetary payment appropriations	20.000.000	115.561.990	0

Initial envelope: EUR 495.000.000
Current financial envelope: EUR 888.000.000
Overall financial envelope: EUR 888.000.000

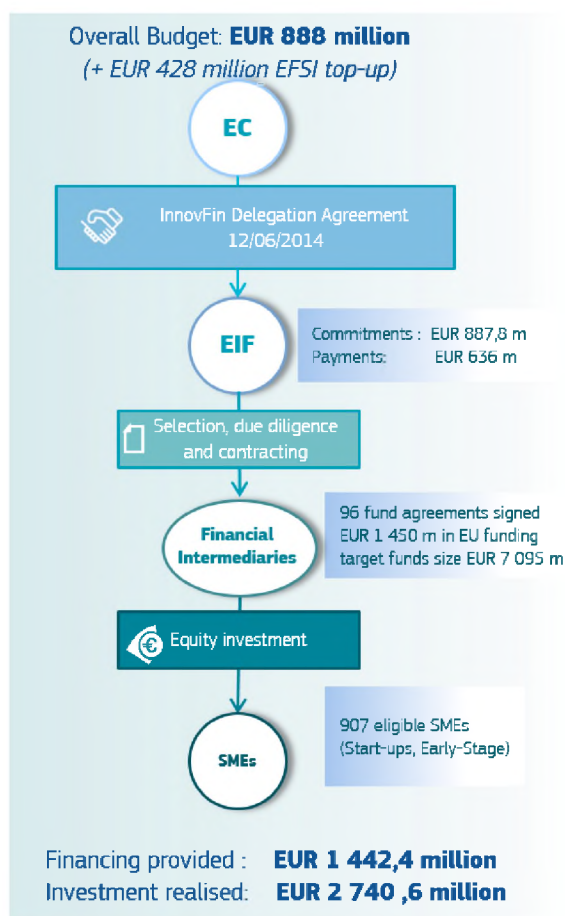
Implementation cycle:

The InnovFin Equity facility succeeds and refines the GIF scheme under CIP, and is part of a single equity financial instrument supporting the growth of enterprises and their R&I activities. It is designed to improve access to risk finance by early-stage R&I-driven SMEs and small midcaps through supporting early-stage risk capital funds that invest, on a predominantly cross-border basis, in individual enterprises.

SMEs and small midcaps located in Member States or in Associated Countries are eligible as final recipients. The COSME programme's Equity Facility for Growth complements this facility, which, with a set of accompanying measures, supports Horizon 2020 policy objectives.

In terms of Union added value, the InnovFin Equity complements national and regional schemes that cannot cater for cross-border investments in R&I. The early-stage deals also have a demonstration effect that can benefit public and private investors across Europe. For the growth phase, it is only possible at European level to achieve the necessary scale and strong participation of private investors that are essential to the functioning of a self-sustaining venture capital market.

Its implementation is entrusted to, the European Investment Fund (EIF) in Luxembourg, further to 2 amendments to the EIF Delegation Agreement in 2016.



4.4 Equity Facility (early-stage capital) for Research and Innovation of Horizon 2020 (InnovFin Equity)

Financial intermediaries (FIs), selected by the entrusted entity (EIF) for the implementation of financial instruments may include private or governmental / semi-governmental financial institutions as well as national and regional public / investment banks.

The EIF manages equity investments into risk-capital funds, while investing in a wide range of FIs, including those cooperating with business angels. The funds concerned make VC and quasi-equity (including mezzanine capital) early-stage investments in enterprises, which are likely to be mainly SMEs. In the case of multistage funds (i.e., covering both early- and growth-stage investments), funding can be provided pro rata

from this facility and COSME's growth-stage equity facility, EFG.

This is a demand-driven facility, with no prior allocations between sectors, countries, or regions. However, the Commission incentivises EIF, via a performance indicator, to make an effort to ensure that a proportion of final recipients are eco-innovative SMEs and small midcaps. R&I-driven SMEs or small midcaps wishing to apply for an investment should contact one or more of the funds signing an agreement with EIF.

Duration:

It is planned to last until 31 December 2042 (until the last operations are wound down).

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	887.805.268	887.805.268
Leverage	1,62	6
Multiplier effect	3,1	11,4
Envisaged operations	130	120
Financing provided by financial intermediaries to final recipients	1.442.419.492	5.326.831.608
Number of final recipients	907	3.600
Investments made by final recipients due to the received financing	2.740.597.034	10.120.980.055

Nota: the EU contribution committed indicated in the summary table above does not take into account the EFSI funding nor the EIF own funds.

At the end of 2020, InnovFin Equity has a commitment towards 96 funds for a total amount of EUR 1 450 million. 81 agreements relate to pure early stage funds. 12 agreements relate to Multi-Stage funds, in combination with the COSME Equity facility for growth and 3 with Funds of Funds in the frame of VentureEU.

Out of the EUR 1450 million⁴³ commitments towards 96 funds which include conditional commitments, EUR 1 293 million have already been signed.

It is expected that a total of 130 fund agreements will be signed under the 2014-2020 instrument budget envelope.

These funds have invested in 907 eligible final recipients operating in 26 Member States, associated countries or the United Kingdom.

Under the 96 agreements currently signed, we expect an overall amount of EUR 7 095⁴⁴ million

of risk capital to be invested in around 3200 eligible final recipients over the investment period of the funds (usually 5 years from the closure of the fund). The target leverage effect as indicated in the InnovFin legal base ranges around 1:6. Based on the target leverage and the total 2014-2020 budgetary envelope of EUR 888 million (this does not include the EFSI top up), up to EUR 7,9 billion of risk capital should be provided to up to 5000 SMEs over the lifetime of the IFE, which would lead to an overall investment of up to EUR 15 billion.

An additional implementation mechanism in the form of the Pan-European VC Funds-of-Funds project has been put in place in February 2017. This compartment is branded as Venture EU. Agreements have been signed with 3 funds of funds as of 31/12/2020.

An additional implementation mechanism branded Re-Fit aims at mitigating the increased cash burn

⁴³ Including EFSI and EIF contribution

⁴⁴ Based on target fund size of funds selected

4.4 Equity Facility (early-stage capital) for Research and Innovation of Horizon 2020 (InnovFin Equity)

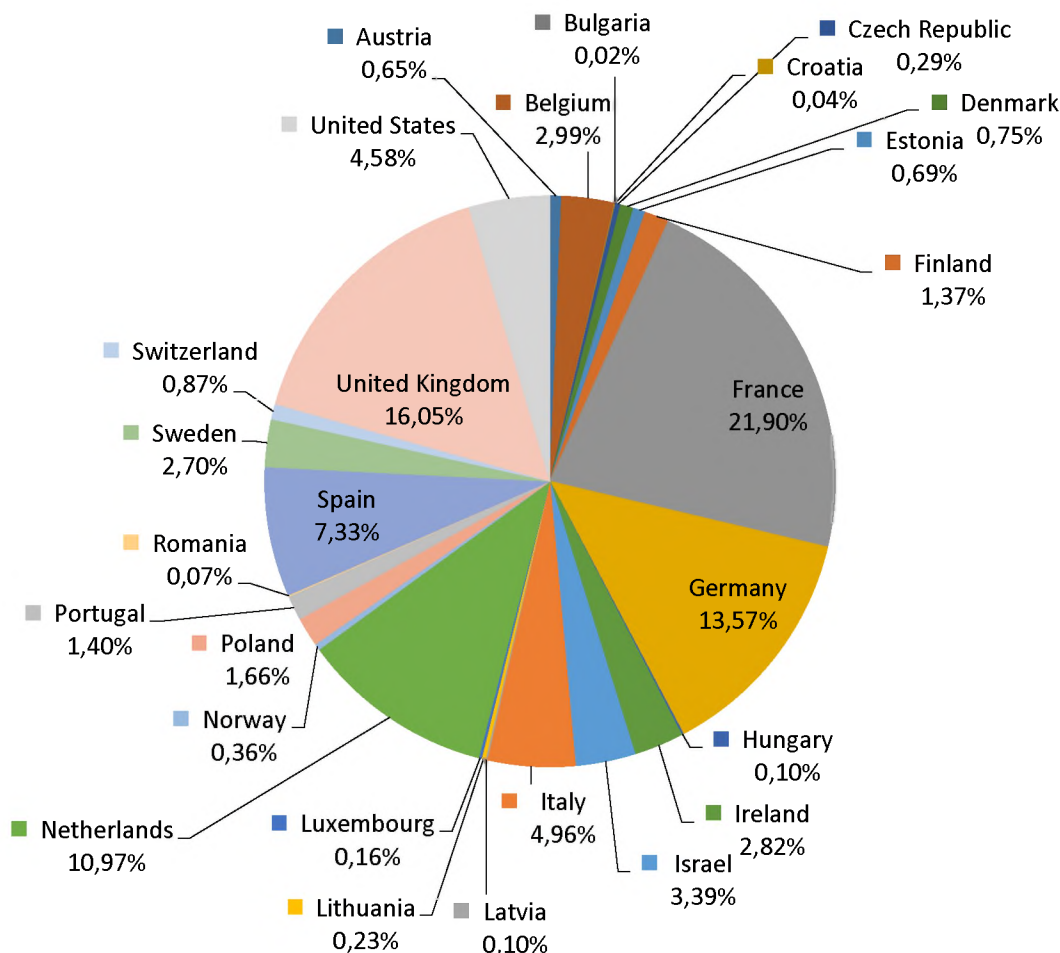
caused by the COVID-19 crisis by providing IFE Financial Intermediaries with a top up investment capacity necessary to support their portfolio

companies that otherwise would be left in the short term without further support.

Geographical diversification

As of 31/12/2020 96 commitment to funds have been signed with VC, BA,TT funds and Funds of funds established in 22 member States and 4 Associated Countries or UK to Horizon 2020.

The chart below shows how EUR 1 442 million invested in IFE eligible recipients is distributed by country.



Main issues for the implementation

The InnovFin Equity facility is needed to improve the availability of equity finance for early and growth-stage investments and to boost the development of the EU venture capital market. During the technology transfer and start-up phase, new companies face a 'valley of death' where public research grants stop and it is not possible to attract private finance. Public support aiming to leverage private seed and start-up funds to fill this gap is currently too fragmented and intermittent, or its management lacks the necessary expertise. Moreover, most venture capital funds in Europe are too small to support the continued growth of innovative companies

and lack the critical mass to specialize and operate transnationally. Specific support actions such as information and coaching activities for SMEs should be provided. Regional authorities, associations, SMEs chambers of commerce and relevant FIs may be consulted on the programming and implementation of these activities.

Regarding conditional closings, despite EIF's firm commitment to invest into a fund it may be that fund managers fail to raise the required additional private and public funding to reach the first closing of a fund.

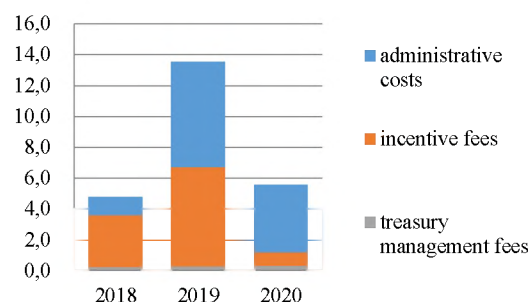
Financial Information

	Notes	(in euros)	
		2020	2014-2020
Overall budget	1		
Financial envelope available			887.805.268
EU Contribution	2		
Budgetary commitments		155.569.896	887.805.268
<i>of which from third countries</i>		0	0
<i>of which from reflows</i>		115.569.896	35.178.767
Budgetary payments		102.202.831	636.014.580
Reflows	3		
Revenues		1.441.309	5.435.728
<i>interest income</i>		276.742	1.579.191
<i>risk remuneration, dividends, fees</i>		0	0
<i>realised gains</i>		1.164.567	3.856.534
<i>other revenues</i>		0	3
Repayments		0	0
Payable to the Commission		0	281.317
Returned to the general budget		0	0
Returned to be used			1.806.780
Losses from operations	4		
Guarantees called		N/A	N/A
<i>guarantee calls recovered</i>		N/A	N/A
Equity			
<i>Impairments</i>		104.232	329.455
<i>realised losses</i>		0	0
Costs	5		
Management fees		5.578.257	43.833.504
<i>administrative costs</i>		4.375.557	24.196.967
<i>incentive fees</i>		887.040	18.560.550
<i>treasury management fees</i>		315.660	1.075.987
Other operational and financial charges		2.886.535	4.192.513
<i>negative interest</i>		0	56.402
<i>foreign exchange losses</i>		2.676.742	2.943.019
<i>other charges</i>		209.793	1.193.092
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		650.846.569	446.757.608
Assets provisioned for risk and liabilities		418.117.164	403.202.943
Value of equity investments		179.288.986	112.174.438
Provisions for risk and liabilities		0	
Fiduciary Account	7		
Balance in the fiduciary account		60.152.759	92.691.722
<i>in euro</i>		2.659.779	60.830.772
<i>in non-euro currencies</i>		57.492.980	31.860.950
Other financial assets		357.958.386	310.508.733

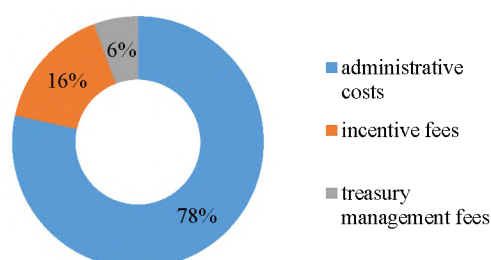
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Management fees 2018-2020 (in million)



Management fees 2020



Notes on Financial Information

2. Reflows reported as recommitted to InnovFin Equity stem from InnovFin Equity and the High Growth and Innovative SME Equity Facility under CIP (compartment GIF 1). As of 31/12/2019 the amounts recommitted from reflows of CIP GIF 1 amount to EUR 62 878 592 (not included in the above table).

4.5 European Innovation Council Fund

Description

Identification/Reference to the basic act

Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/104, 20.12.2013)

Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" (OJ L 347/81, 20.12.2013)

Budget lines

08.020202; 08.020800

	2020	2021	2022
Budgetary commitment appropriations	550.417.667	0	0
Budgetary payment appropriations	278.100.000	0	200.000.000

Initial envelope: EUR 693 733 899
 Current financial envelope: EUR 693 733 899
 Overall financial envelope: EUR 693 733 899

Implementation cycle:

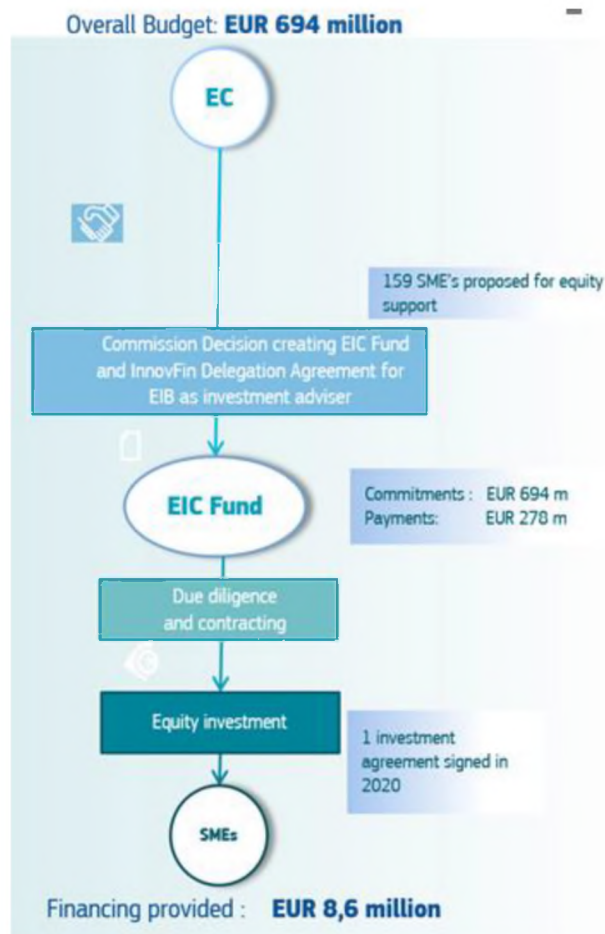
The EIC Fund is a breakthrough initiative of the European Commission (EC). It aims to fill a critical financing gap in the technology transfer (TT) market: the fact that despite the channelling of significant amounts of grant funding to research projects in Europe by EC and national schemes, very few projects subsequently manage to attract equity-type financing and reach the commercialization stage.

The EIC Fund provides patient capital in the form of equity or quasi-equity (which will be in most cases blended with a grant component) to EIC Final Recipient companies with potentially market-creating innovations (whether based on breakthrough disruptive technologies originating from research (deep-tech) or on social innovation), thereby contributing to bridge the gap between innovation and market take-up. The EIC Fund is the first EU intervention of its kind in direct equity-type investments (as mentioned above, in most cases, in combination with a grant component (blended finance)). The EIC Fund is supported in its work by the EIB Group as its Investment Advisor. The EIC Fund has been incorporated on 22nd June 2020.

The EIC Fund implements the equity or quasi equity support to beneficiaries selected by the pilot call for proposal EIC Accelerator of Horizon 2020. The investment decisions are taken by the EIC Fund Board upon recommendations from the Investment Committee. The EIB acts as investment adviser of the EIC Fund and prepares the ground for investment recommendations of the Investment Committee to the EIC Fund Board.

Duration:

The EIC Fund is set up with an unlimited duration.



Operational Performance

In the frame of the EIC Accelerator pilot call, 159 beneficiaries have been selected for a support through blended finance. As of end March 2021,

49 investment recommendations have been approved by the EIC Fund Board.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	693.733.899	693.733.899
Leverage	0	0
Multiplier effect	0	0
Envisaged operations	1	159
Financing provided by financial intermediaries to final recipients	8.569.999	693.733.899
Number of final recipients	1	159
Investments made by final recipients due to the received financing	16.282.997	1.318.094.408

Geographical diversification

As of 31/12/2020 one investment has been signed with a beneficiary located in France

Financial Information

	<i>(in euros)</i>	
<i>Notes</i>	<i>2020</i>	<i>2018-2020</i>
Capital		
EU stake €		278.070.000
EU Contribution		
Commitments	693.733.899	693.733.899
<i>of which to technical assistance</i>		
Payments	278.100.000	278.100.000
Reflows		
Revenues	0	0
Repayments	0	0
Returned to the general budget	0	0
Returned to be used	0	0
Losses from operations		
Impairments	0	0
Realised losses	0	0
Costs		
Management fees	7.805.960	7.805.960
of which to EIF	6.461.604	6.461.604
	2020	2019
Risk exposure		
Financial risk exposure	8.569.999	N/A
Value of equity investments	8.569.999	N/A
<i>investment at cost</i>	8.569.999	N/A
Fiduciary Account		
Balance	269.027.671	N/A

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

4.6 Cultural and Creative Sectors Guarantee Facility (CCS GF)

Description

Identification/Reference to the basic act

REGULATION (EU) No 1295/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC

Budget lines

15 04 01

	2020	2021	2022
Budgetary commitment appropriations	29.663.000	0	0
Budgetary payment appropriations	9.767.052	13.908.193	29,507,889

Initial financial envelope: EUR 122,8 million

Current financial envelope: EUR 252,8 million

Overall financial envelope: EUR 252,8 million

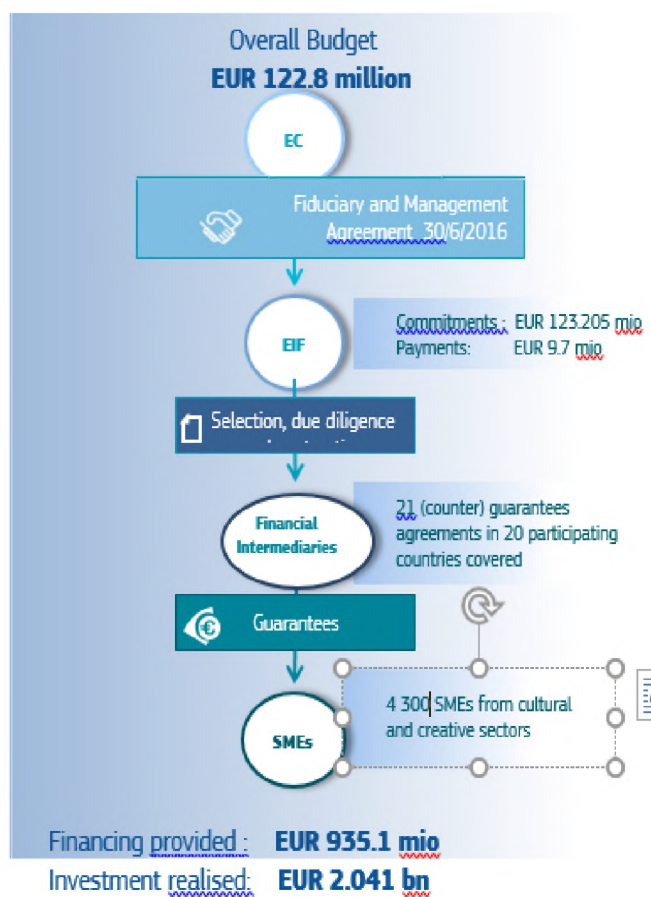
General description:

Part of the Creative Europe Programme, the Cultural and Creative Sectors Guarantee Facility (CCS GF) is a financial instrument under which the European Commission through the European Investment Fund (EIF) provides guarantees and counter-guarantees on debt financing to Financial Intermediaries to improve access to finance to SMEs and organisations from cultural and creative sectors (CCS).

Through the CCS GF, Financial Intermediaries selected by the EIF are able to provide additional debt financing to SMEs in Participating Countries. To overcome the knowledge gap between the financiers and the CCS companies, this action also provides technical assistance/ capacity building to the financial institutions want to build loan portfolios targeting the CCS. This support is an example of finetuning of financing products that are more suited to the specificities of CCS business.

This add-on feature of the support proven to be an extra incentive for the uptake of the CCS GF by financial institutions, and has resulted in an increase in the number of financial intermediaries working with cultural and creative SMEs.

DG CNECT in cooperation with DG EAC are in charge of implementing the CCS GF. The Guarantee Facility is managed by the European Investment Fund (EIF) in line with the provisions of the Delegation Agreement.



4.6 Cultural and Creative Sectors Guarantee Facility (CCS GF)

Implementation cycle:

The calls for expression of interest were published in Q3/2016.

signed until 31 December 2022 (31 December 2022 is for the EFSI contribution into the CCS GF).

Duration: transactions can be approved by the EIF Board of Directors until 31 December 2020 and

Operational Performance

The CCS GF was launched in July 2016 as the first financial instrument targeting cultural and creative enterprises. The total budgetary appropriation for CCS GF equals to EUR 252,8 million (EUR 122,8 million from Creative Europe budget and top-ups of EUR 130 million from EFSI) in the 2016-2020 period. The targeted leverage effect of CCS GF was initially set at 5,7, but is growing with the roll out of the financial instrument. Hence, it is expected to leverage at least EUR 2.3 billion of additional financing for the cultural and creative industries.

In its fourth year of activity, the CCS GF is performing well. By the end of year 2020, 21 transactions with 20 Financial Intermediaries were signed. Those 21 transactions are expected to generate EUR 2.3 billion of debt financing for companies from the cultural and creative sectors. By year end, 5 500 loans, worth EUR 935 million were granted to more than 4 362 SMEs from creative sectors. The geographical availability of the CCS GF is also expanding quickly. In 2020 the EIF signed 8 new agreements with Financial Intermediaries. EU contribution budget committed result is EUR 935.161.161 which help to leverage private financing for a total amount of EUR 2.049.158.195.

This instrument is crucial to provide support for SME's. As of November 2020 we know that 39% of the supported SMEs were in the audiovisual sector, followed by performing arts, books and press, visual art and other cultural domain. This guarantee facility is well shared talking about the geographical distribution as well as the sectorial distribution. According to Deloitte and Kea market study, we also know that the audiovisual industry is responsible for the majority of the value added and employment generated by the Cultural and Creative Sectors.

Coupled with Capacity Building, the CCS GF helps financial intermediaries to better serve creative and cultural SMEs by providing high-level customised consultancy and support. The majority of the financial intermediaries opted in for this tailor-made support delivered by CCS experts. With the implementation progressing well, the capacity building has been welcomed by both the financial intermediaries and the wider CCS community. In addition, it helps in promoting this new source of finance through events, trade shows, publication of market studies or market research.

Key figures	Actual	Target
EU Contribution committed	123.205.564	252.892.282
Leverage	7,6	5,7
Multiplier effect	0	0
Envisaged operations	21	15
Financing provided by financial intermediaries to final recipients	935.161.161	2.320.941.723
Number of final recipients	4362	1700
Investments made by final recipients due to the received financing	2.049.158.195	2.320.941.723

Geographical diversification

Currently there are 21 (counter) guarantee agreements across Europe. Of these, 19 (counter) guarantee agreements have a national focus, and two have a cross-border approach. New or extended guarantee agreements signed in year

2020 cover Belgium, Denmark, Italy, Austria, the Netherlands, Romania, Estonia, Lithuania and Bulgaria.

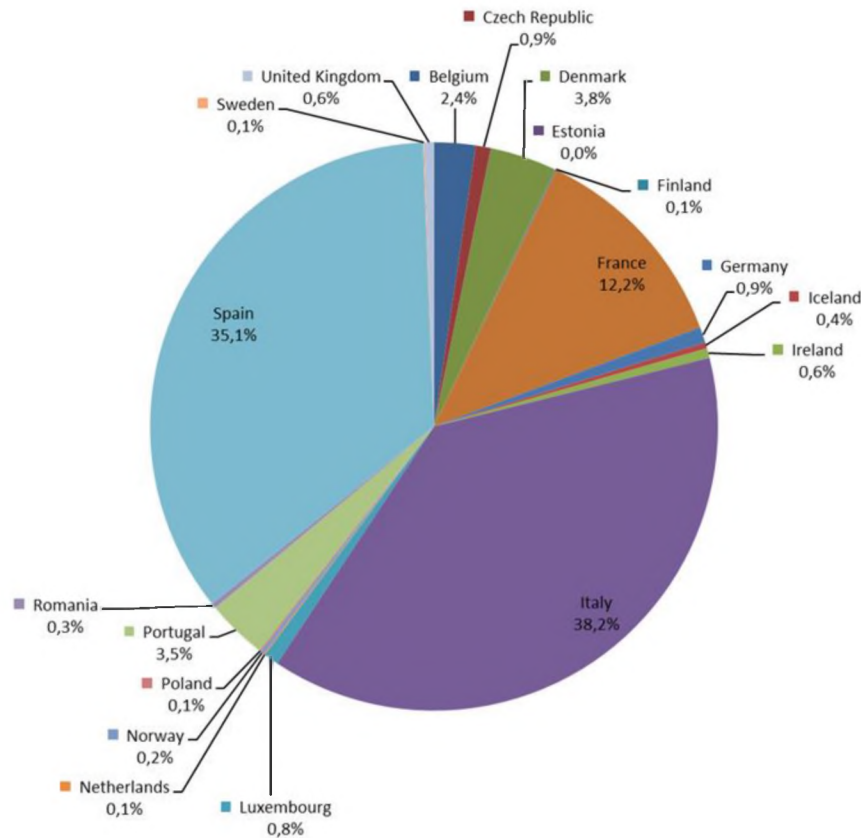


Fig 1. Volume of finance received by the SMEs from cultural domains by country.

Main issues for the implementation

2020 was the fourth year of the implementation of the CCS GF. The aggregated commitments were fully used for the signature of CCS GF operations. In fact, a strong demand for this instrument resulted in a second top up of EUR 70m from the European Fund for Strategic Investments (agreement signed in January 2020), bringing the total amount of finance available to EUR 252,8m. That is a doubling of the original budget. In the context of the COVID-19 crisis, in July 2020, the Commission and the EIF agreed a set of flexibility measures to relax the conditions and further improve access to financing. In

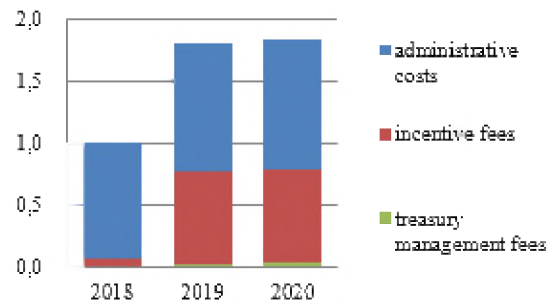
concrete terms, these new measures offered more flexible terms to SMEs, such as longer repayment periods or temporary credit interruptions, in order to alleviate working capital and liquidity constraints resulting from the COVID-19 crisis.

The EIF has assessed guarantee and counter-guarantee rates for financial intermediaries to encourage them to finance SMEs affected by the economic consequences of the lockdowns.

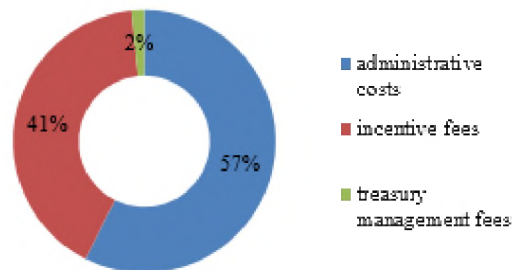
Financial Information

	Notes	<i>(in euros)</i>	
		2020	2018-2020
Overall budget	1		
Financial envelope available		123.205.564	
EU Contribution	2		
Budgetary commitments		29.663.000	123.205.564
<i>of which from third countries</i>		9.767.052	0
<i>of which from reflows</i>		0	0
Budgetary payments		9.767.052	51.919.263
Reflows	3		
Revenues		120.926	619.577
<i>interest income</i>		120.926	459.302
<i>risk remuneration, dividends, fees</i>		0	0
<i>realised gains</i>		0	0
<i>other revenues</i>		0	160.275
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations	4		
Guarantees called		1.127.840	1.294.928
<i>guarantee calls recovered</i>		9.564	9.564
Equity			
<i>Impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		1.827.989	7.444.875
<i>administrative costs</i>		1.049.170	4.301.230
<i>incentive fees</i>		749.407	3.072.307
<i>treasury management fees</i>		29.412	71.338
Other operational and financial charges		1.146.445	2.182.226
<i>negative interest</i>		70.304	142.832
<i>foreign exchange losses</i>		759.041	913.023
<i>other charges</i>		317.100	1.126.371
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		111.901.055	85.566.685
Assets provisioned for risk and liabilities		43.434.616	36.133.592
Value of equity investments		0	0
Provisions for risk and liabilities		67.746.597	26.879.372
Fiduciary Account	7		
Balance in the fiduciary account		43.434.616	36.133.592
<i>in euro</i>		18.195.753	9.669.725
<i>in non-euro currencies</i>		25.238.863	26.463.867

Management fees 2018-2020 (in million)



Management fees 2020



The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

4.7 SME Guarantee Facility (SMEG07) under the Competitiveness and Innovation Framework Programme (CIP)

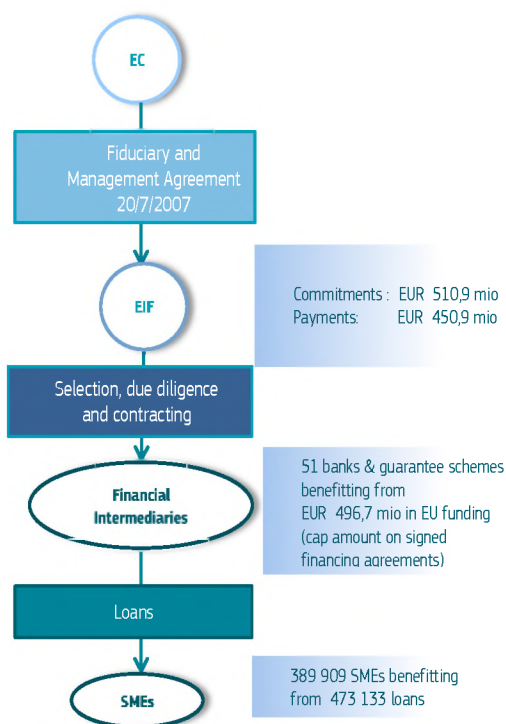
Description

Identification/Reference to the basic act			
Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310/15, 9.11.2006, p.15).			
Budget lines			
02 02 99 01			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	13.100.000	9.600.000	9.700.000

Initial financial envelope: EUR 506 million⁴⁵

Current financial envelope: EUR 511,0 million⁴⁶

Overall financial envelope: EUR 523,1 million⁴⁷



Financing provided: **EUR 21 222,8 mio**

Investment realised: **EUR 31 065,0 mio**

Implementation cycle:

SMEG 07 is operated by the EIF under a 2007 Fiduciary and Management Agreement (FMA). Until 2013 the EIF was responsible for identifying, evaluating, and selecting Financial Intermediaries ('FIs') according to the FMA's Guarantee Policy.

ECFIN (the Designated Service) was actively involved in FI approval process. Each deal needed approval of the Commission and EIF's Board of Directors. The Commission will continue its monitoring and reporting obligations until the wind-down of the facility (estimated 2026).

Policy objectives and scope

SMEG 07 is part of the Entrepreneurship and Innovation Programme (EIP), one of the three specific programmes under the Competitiveness and Innovation Programme (CIP).

Its overall objective is the improvement of access to finance for the start-up and growth of SMEs to support their investment in innovation activities, including eco-innovation. It provides counter- or co-guarantees to guarantee schemes and direct guarantees to Financial Intermediaries operating in eligible countries with the aim of increasing lending volumes available to SMEs. The Facility is a demand-driven instrument, with only indicative country-based allocations, in order to ensure wide geographical coverage. The EIF provides a capped guarantee that covers potential losses against a commitment of the financial intermediary to provide more debt financing (loans, leases or guarantees that support loans and leases) to target SMEs.

⁴⁵ Initial voted commitments.

⁴⁶Including increase /decrease in budget commitments from 2008 to 2020, ending up with a current envelope in amount of 510 982 223 EUR without additional resources.

⁴⁷ With additional resources .

4.7 SME Guarantee Facility (SMEG07) under the Competitiveness and Innovation Framework Programme (CIP)

Value added

Thanks to SMEG 07 financial intermediaries either provide more financing to SMEs, or extend their financing to more risky and previously not serviced segments of vulnerable SMEs, such as start-ups, young companies and companies lacking sufficient collateral.

Last budgetary commitment: 31/12/2013

End of agreements' signing period: 30/9/2014

Until 31/12/2020 SMEG 07 consisted of 69 guarantee agreements with 51 active Financial Intermediaries from 23 countries for a total amount guaranteed of EUR 7 088,1 million (and a total of EUR 496,7 million guarantee cap amount from the Union budget for direct and counter-guarantees).

Until 31/12/2020, SMEG achievements under CIP were as follows:

- Guarantee agreements: 69
- Eligible recipients (SMEs) achieved: 389 909
- Eligible final recipients (SMEs) initially targeted: 315 000
- Loans achieved: 473 133
- Employees at eligible final recipients (SMEs) at inclusion date: 1 358 359
- Jobs created or maintained: 389 909⁴⁸
- Total financing achieved: EUR 21 222,8 million
- Total financing expected⁴⁹: EUR 23 192,2 million
- Total investment realised⁵⁰: EUR 31 065,9 million

For 2007-2020, EUR 1 065,7 million of commitment appropriations were made available for the CIP financial instruments, of which EUR 510,9 million for SMEG⁵¹. The appropriations were fully committed.

Regarding the payments appropriations for 2007-2020, out of the EUR 971,0 million made available for the CIP financial instruments, EUR 438,8 million were paid to the SMEG fiduciary account, managed by the EIF on behalf of the Commission⁵². Funds are drawn down from the fiduciary account as and when defaults occur under SMEG.

As at 31/12/2020, SMEG 07 already contributed to provide more than 21,2 billion EUR of financing to 389 909 SMEs through 473 133 loans⁵³, accounting for nearly 31,1 billion EUR investment. The corresponding i) achieved financing leverage effect for CIP SMEG 07 at the level of entrusted entity (total loan volume received by the recipient SMEs / EU guarantee cap amount) is approx. 42,7⁵⁴ - meaning 1 EUR EU funding generated nearly 43 EUR loan for SMEs -, and ii) achieved multiplier effect is 62,5 (based on a total investment realised of EUR 31 065,9 million / EU guarantee cap amount) - meaning 1 EUR EU funding generated more than 62 EUR in investment at SME level.

The (expected) target financing leverage effect for signed operations (calculated as "Estimated SME financing" / EU guarantee cap amount) is around 46,7⁵⁵ for the duration of the programme.

Based on the financing and investment volumes supported so far (see details above), the CIP market-oriented instruments under both GIF and SMEG have shown high efficiency and relevance in addressing the difficulties faced by SMEs in getting access to finance from 2007 until now.. The SMEG Facility is a counter-cyclical instrument and has helped final recipients to face difficulties arising from the economic conditions from 2007 until now, namely to obtain or maintain access to finance and to create or maintain jobs over the period. Although the overall effect of EU programmes on SMEs' financing remains limited (by nature, EU intervention is limited to market gaps or sub-optimal market situations, meaning by far the largest part of financing is provided by banking and finance market players), the Facility did, however, make a very positive contribution to the development and sustainability of EU SMEs.

Policy DG in charge: DG GROW, with DG ECFIN for the design of the instruments

Implementing DG in charge: DG ECFIN

Implementing Body in charge: EIF

⁴⁸ Estimate based on the methodology outlined in the 2011 Final Evaluation of the Entrepreneurship and Innovation Programme (1 job for each SME supported by the facility).

⁴⁹ i.e. : target financing volume ("estimated financing guaranteed", source: EIF's Q4 Quarterly report dated 31/12/2020).

⁵⁰ Source: EIF's Q4 Quarterly report dated 31/12/2020.

⁵¹ Amounts without additional resources; including additional resources, the commitment appropriations were EUR1 097,3 million for CIP out of which EUR 523,1 million for SMEG.

⁵² Amounts without additional resources; including additional resources, the payment appropriations were EUR1 002,6 million for CIP out of which EUR 450,9 million for SMEG.

⁵³ Source: EIF's Q4 Quarterly report dated 31/12/2020.

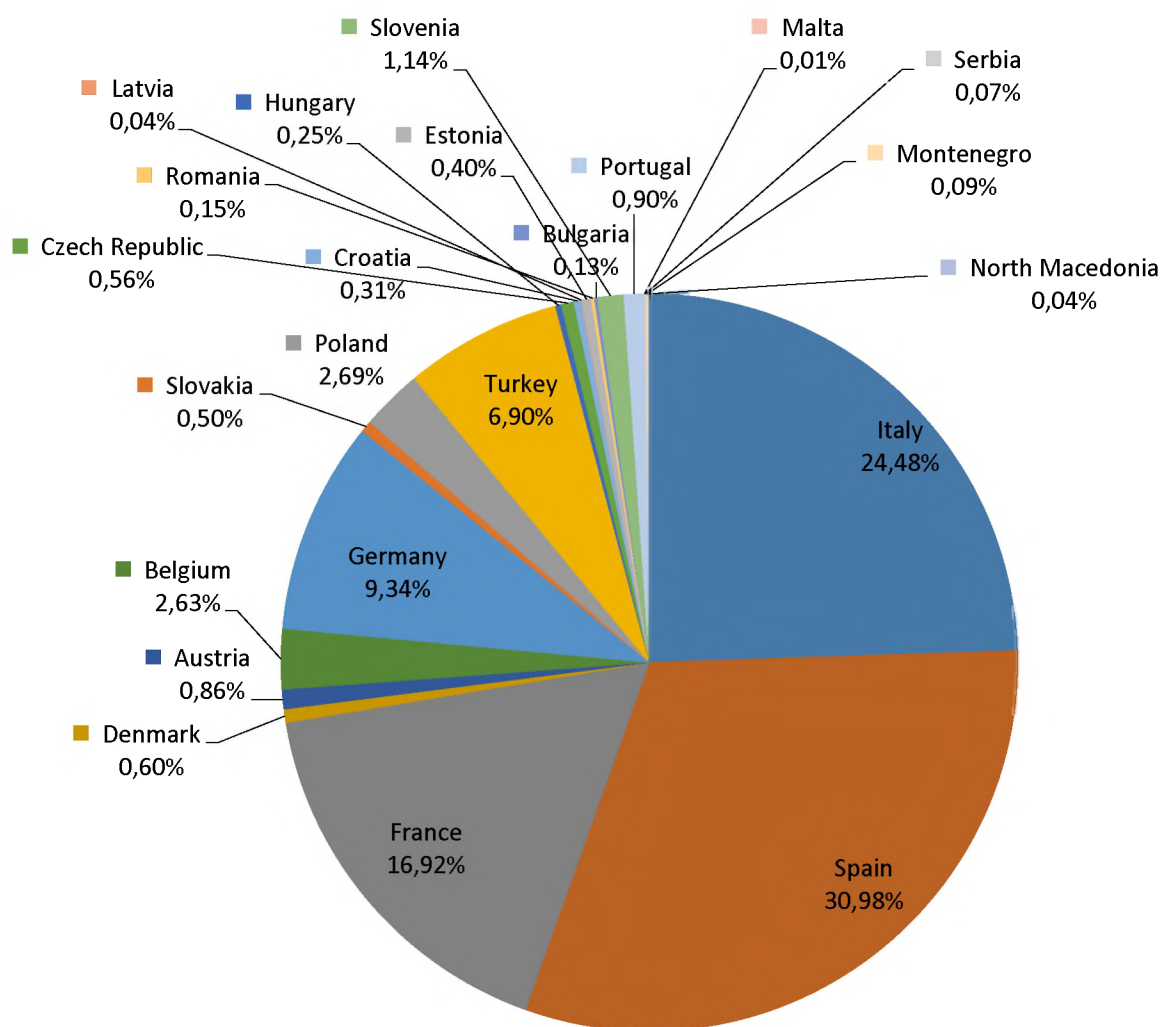
⁵⁴ Source: EIF's Q4 Quarterly report dated 31/12/2020; total loan volume received by the recipient SMEs = EUR 21 222,8 million / EU guarantee cap amount = EUR 496,7 million.

⁵⁵ Source: EIF's Q4 Quarterly report dated 31/12/2020; "Estimated SME financing" = EUR 23 192,2 million / EU guarantee cap amount = EUR 496,7 million.

Operational Performance⁵⁶

Key figures	Actual	Target
EU Contribution committed to financial intermediaries	496.700.000	496.700.000
Leverage	42,7	46,7
Multiplier effect	62,5	65,3
Envisaged operations	69	69
Financing provided by financial intermediaries to final recipients	21.222.800.000	23.192.200.000
Number of final recipients	389.909	315.000
Investments made by final recipients due to the received financing	31.065.900.000	32.469.080.000

Geographical diversification



⁵⁶ It shall be noted that since the SMEG 07 facility is closed as from 30/9/2014, no new operations or events are to be reported under that section.

Main issues for the implementation

The Facility is closed for new operation as from 30/9/2014 and the inclusion period for new loans into the supported portfolios is now finished as well. We did not identify so far any specific issues for implementation. However, the EIF guarantee duration is 10 years, so the portfolio is still impacted by guarantee calls, which undergo a systematic prior check before payment by the EIF, ending up sometimes with the rejection of the operation and/or of the beneficiary: this ensures that any effective payment under the facility is compliant with the EU provisions, and in turn this also accounts for some decrease in the figures (financing, loans, final beneficiaries, etc.) as reported under the section “Operational Performance” above.

The latest evaluations related to GIF and SMEG reiterated that their effectiveness has increased over time. In more detail, there have been improvements in monitoring systems at the level of both EIF and FIs involved in implementation which contributed to tracking comprehensively performance of the instrument and thus more effectively pursuing its policy objectives. Besides, the relevance of the instrument as assessed by the recipient SMEs is significant⁵⁷:

- 46% stated that the EU financing scheme was their only option available to get financing,
- 18% stated that without the EU support they would have received only part of the funding needed, 42% stated that the EU support helped them to get additional finance and
- 64% stated that EU support was crucial to find the finance needed

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

NA

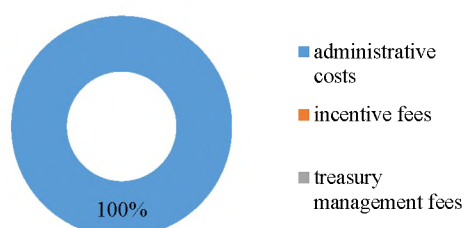
Financial Information

	Notes	2020	2019
(in euros)			
Overall budget	1		
Financial envelope available			5 098 223
EU Contribution	2		
Budgetary commitments		0	5 098 223
of which from third countries		0	22 748 338
of which from reflows		0	2 089 884
Budgetary payments		0	450 903 607
Reflows	3		
Revenues		505 468	4 103 604
interest income		236 088	28 847 588
risk remuneration, dividends, fees		269 380	13 552 0
realised gains		0	0
other revenues		0	10 876 496
Repayments		0	0
Payable to the Commission		0	na
Returned to the general budget		0	11 402 380
Returned to be used		0	2 089 884
Losses from operations	4		
Guarantees called		8 700 980	386 676 714
guarantee calls recovered		6 837 846	46 266 581
Equity			
impairments		0	0
realised losses		0	0
Costs	5		
Management fees		478 178	2 197 687
administrative costs		478 178	2 197 687
incentive fees		0	0
treasury management fees		0	0
Other operational and financial charges		353 825	21 277 010
negative interest		228 272	1 125 596
foreign exchange losses		125 553	20 614 414
other charges		0	0
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		10 044 610	13 452 294
Assets provisioned for risk and liabilities		64 977 215	70 739 516
Value of equity investments		0	0
Provisions for risk and liabilities		136 037 381	139 411 354
Fiduciary Account	7		
Balance in the fiduciary account		64 996 309	70 734 759
in euro		38 570 770	41 85 127
in non-euro currencies		26 425 539	29 549 632

Management fees 2018-2020 (in million)



Management fees 2020



⁵⁷ CSES (2012).

4.8 High Growth and Innovative SME Facility (GIF) under the Competitiveness and Innovation Framework Programme (CIP)

Description

Identification/Reference to the basic act

Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310/15, 9.11.2006, p.15).

Budget lines

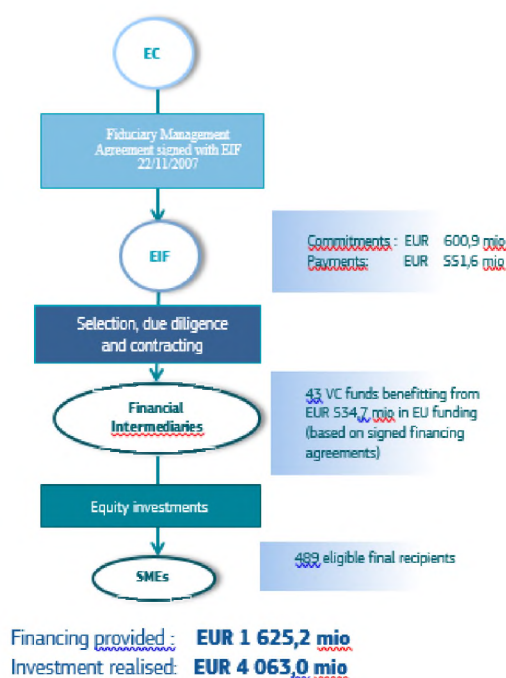
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	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	13.100.000	9.600.000	9.700.000

Initial financial envelope: EUR 623 million⁵⁸

Current financial envelope: EUR 554,8 million⁵⁹

Overall financial envelope: EUR 574,2 million⁶⁰



Policy objectives and scope

GIF 07 is part of the Entrepreneurship and Innovation Programme (EIP), one of the three specific programmes under the CIP.

Its objective is to improve access to finance for the start-up and growth of SMEs to support their investments in (eco-) innovation activities. GIF funds equity or quasi-equity to intermediaries, which then must provide long term equity or quasi-equity capital (including subordinated or participating loans and convertible bonds) to innovative SMEs. GIF therefore contributes to the establishment and financing of SMEs and the reduction of the equity financing gap (which prevents SMEs from exploiting their growth potential) and improves the European VC market. Moreover, it supports innovative SMEs with high growth potential, including in their cross-border expansion. Hence, GIF provided a critical lifeline of public support to the EU VC market crisis times in the late 2000s financial.

Value added

The added value of the GIF instrument consists in addressing specific market needs, offering structuring input, and providing catalytic effects.

Implementation cycle

GIF is implemented by the EIF on behalf of the Commission. The EIF provides EU venture capital investments on behalf of and at the risk of the Commission, under a 2007 Fiduciary and Management Agreement ('FMA'). The EIF was responsible for identifying, evaluating and selecting the Financial Intermediaries (FI) in accordance with the FMA's Investment Policy. The EIF examined proposals based on a call for expression of interest. Investment proposals by

⁵⁸Initial voted commitments, including the CBS programme reallocations (EUR 73 million).

⁵⁹Including increase /decrease in budget commitments from 2008 to 2020 without additional resources

⁶⁰Including changes in budget commitments from 2008 to 2020. The initial split CIP budget between the GIF and SMEG instruments was only indicative. CIP's share of the SMEG instrument has increased in line with market needs, leading to a lower current overall programme budget for GIF.

4.8 High Growth and Innovative SME Facility (GIF) under the Competitiveness and Innovation Framework Programme (CIP)

FIs were selected based on a *notice of implementation* (OJ C 302, 14.12.2007).

ECFIN (the Designated Service) was actively involved in the FI approval process. Each deal was to be approved by the EIF Board of Directors and the Designated Service. The Designated Service will continue its monitoring and reporting obligations until the wind-up of the facility (estimated 2026).

Date of last budgetary commitment:
31/12/2013

Date of end of agreements' signing period :
30/9/2014

Policy DG in charge: DG GROW, with DG ECFIN for the design of the instruments

Implementing DG in charge: DG ECFIN

Implementing Body in charge: EIF

Operational Performance⁶¹

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	534.731.622	534.731.622
Leverage	3,03	5,67
Multiplier effect	7,59	14,18
Envisaged operations	43	43
Financing provided by financial intermediaries to final recipients	1.625.200.000	3.033.811.849
Number of final recipients	489	489
Investments made by final recipients due to the received financing	4.063.000.000	7.584.529.623

⁶¹ It shall be noted that since the GIF facility is closed as from 30/9/2014, no new operations or events are to be reported under that section.

4.8 High Growth and Innovative SME Facility (GIF) under the Competitiveness and Innovation Framework Programme (CIP)

By 31/12/2020 GIF consisted of 43 venture capital funds having invested EUR 1 625,2 million in eligible final recipients from 18 countries (based on a total EUR 534,7 million EU contribution committed to financial intermediaries).

Until end 2020 GIF achievements under CIP were as follows:

- Financial intermediaries: 43
- Final eligible recipients achieved: 489
- Jobs created or maintained: 9 908⁶²
- Total financing achieved: EUR 1 625,2 million
- Total financing expected⁶³: EUR 3 033,8 million
- Total investment realised⁶⁴: EUR 4 063,0 million

For 2007-2020, EUR 1 065,7⁶⁵ million of commitment appropriations were made available for the CIP financial instruments, of which EUR 554,8 million for GIF⁶⁶. The appropriations were fully committed.

Regarding payments appropriations for 2007-2020, out of the EUR 971,0 million made available for the CIP financial instruments, EUR 532,2 million were paid to the GIF fiduciary account, managed by the EIF for the Commission⁶⁷. Funds are drawn down from the fiduciary account when defaults occur under GIF.

Until 31/12/2020, the GIF already contributed to provide more than EUR 1,62 billion of financing to 633 final recipients⁶⁸ for an estimated investment amount over EUR 4 billion. The corresponding achieved financing leverage effect for CIP GIF at the level of the entrusted entity ⁶⁹

is approx. 3,03⁷⁰ - meaning 1 EUR EU funding generated around 3 EUR financing into SMEs. The achieved multiplier effect is approx. 7.6 (based on a total investment realised of EUR 4 063,0 million / EU Contribution committed to financial intermediaries of EUR 534,7 million) - meaning 1 EUR EU funding generated nearly 7,6 EUR in investment at SME level.

The (expected) target financing leverage effect for signed operations⁷¹ is estimated at around 5,7⁷² for the entire duration of the programme.

Based on the financing and investment volumes supported so far (see above), the CIP market-oriented instruments under both GIF and SMEG have shown high efficiency and relevance in addressing SMEs' access to finance difficulties from 2007 until now. Although the overall effect of EU programmes on SMEs' financing remains limited (by nature, EU intervention is limited to market gaps or sub-optimal market situations, thus by far the largest part of financing is provided by banks and finance market players), CIP's GIF components contributed very positively to the development and sustainability of SMEs from 2007 until now.

⁶² Note: Employment Report as at 31/12/2012 (latest available).

⁶³ i.e. : target financing volume ("Target Intermediary Size" , source: EIF's Q4 Quarterly report with data as at 31/12/2020).

⁶⁴ Source: proxy 2,5 on financing amount out of EIF's Q4 Quarterly report with data as at 31/12/2020.

⁶⁵ This amount has been lowered in 2018-2020 by EUR 6 million decommitments.

⁶⁶ Including additional resources, the payment appropriations were EUR1 002,6 million for CIP and EUR 551,6 million for GIF.

⁶⁷ Including additional resources, the commitment appropriations were EUR1 097,3 million for CIP out of which EUR 574,2 million for GIF.

⁶⁸ This is the total number of Final Recipients supported through the programme (source: EIF's Q4 quarterly report with data as at 31/12/2020). Out of those, 489 are Eligible Final Recipients. The VC funds supported may address non-eligible FBs as well as eligible, but EU finances only eligible FBs out of those.

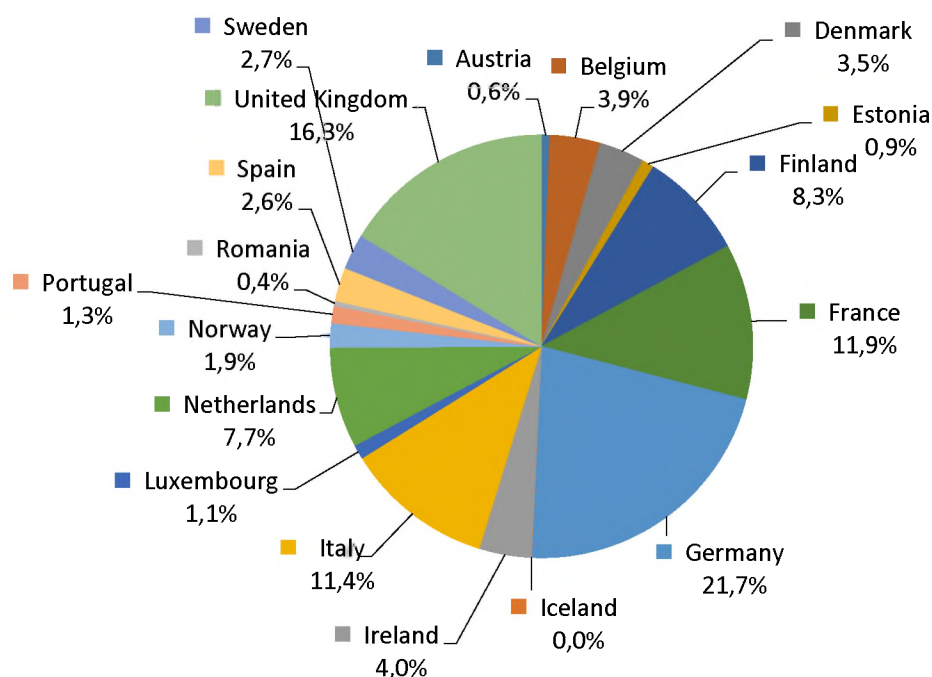
⁶⁹ total amounts invested by the funds in eligible final beneficiaries of EUR 1 625,2 million / EU Contribution committed to financial intermediaries of EUR 534,7 million

⁷⁰ Source: EIF's Q4 Quarterly report with data as at 31/12/20.

⁷¹ Target Intermediary Size / EU Contribution committed to financial intermediaries.

⁷² Source: EIF's Q4 Quarterly report with data as at 31/12/2020.

Geographical diversification (distribution of financing provided to recipients by country)



Main issues for the implementation

The Facility is closed for new operations as from 30/9/2014; we did not identify so far any specific issues for implementation. The GIF efficiency can be testified notably by the EIP Final Evaluation, as summarized below.

As from its launch until now, the GIF component (providing venture capital) provided an essential contribution to SME support in the participating countries, as outlined above and confirmed by the final evaluation results^{73, 74}. The main results are summarized below; no more recent data is available as at the date of writing.

On *Relevance*, the instrument met a clear need for finance for recipients and showed that gaps in SME finance can be addressed. 39% of recipients stated that this financing scheme was their only available option; 23% stated that without this support they would have been able to receive only part of the funding needed. In total, 62% said that the support was crucial to find the finance needed.

On *Effectiveness*, the funds are getting to the intended recipients with the desired effects for growth, innovation and employment. 77% stated that the equity financing made it easier to obtain

additional financing. Over 90% said that the financial support had a positive impact on their long term growth prospects. 62% expected an increase in turnover (between 26% and 100%). 83% identified themselves as engaged in product / service innovation.

Recipients also received other support (ie advice on business planning, access to a network, financial advice, special business advice).

On *Efficiency*, general stakeholders have the impression that the instruments are administered efficiently and that money is not wasted. On *Utility*, most recipients said the support was the only option for obtaining the funds needed. On *Sustainability*, possible improvements raised by EIPC⁷⁵ members and representatives of business organisations, related only to more general issues. On *European value-added*, the report recognised the leverage effect achieved, the fact that 80% of GIF recipients operate internationally and that VC funds i) have a broader geographical focus and ii) operate across boundaries.

⁷³ CSES (2011), The EIP Final Evaluation,

⁷⁴ Based on a telephone survey sample as part of the evaluation

⁷⁵ Entrepreneurship and Innovation Programme Committee.

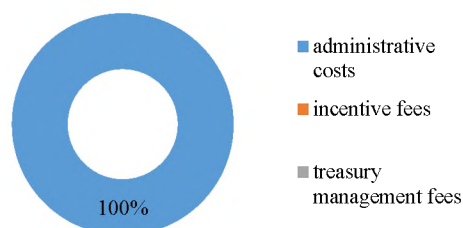
Financial Information

	Notes	2020	2007-2020
Overall budget	1		
Financial envelope available			554.754.761
EU Contribution	2		
Budgetary commitments		-	600.938.346
<i>of which from third countries</i>		320.950	24.830.403
<i>of which from reflows</i>		0	19.474.357
Budgetary payments		13.420.950	551.653.505
Reflows	3		
Revenues		2.762.385	42.070.721
<i>interest income</i>		11.902	6.317.585
<i>risk remuneration, dividends, fees</i>		2.750.483	27.954.489
<i>realised gains</i>		-	-
<i>other revenues</i>		0	7.798.647
Repayments		23.845.450	219.391.027
Payable to the Commission		0	58.014.094
Returned to the general budget		3.909.883	11.578.463
Returned to be used		27.119.995	197.142.117
Losses from operations	4		
Guarantees called		0	0
<i>guarantee calls recovered</i>		0	0
Equity			
<i>Impairments</i>		1.852.168	41.151.012
<i>realised losses</i>		0	1.385.704
Costs	5		
Management fees		991.079	33.138.591
<i>administrative costs</i>		991.079	33.138.591
<i>incentive fees</i>		0	0
<i>treasury management fees</i>		0	0
Other operational and financial charges		279.619	3.971.793
<i>negative interest</i>		277.370	1.544.557
<i>foreign exchange losses</i>		2.249	2.427.236
<i>other charges</i>		0	0
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		439.905.096	439.905.096
Assets provisioned for risk and liabilities		0	0
Value of equity investments		416.815.944	371.632.404
Provisions for risk and liabilities		0	0
Fiduciary Account	7		
Balance in the fiduciary account		67.375.248	76.246.389
<i>in euro</i>		61.936.518	64.660.051
<i>in non-euro currencies</i>		5.438.730	11.586.338

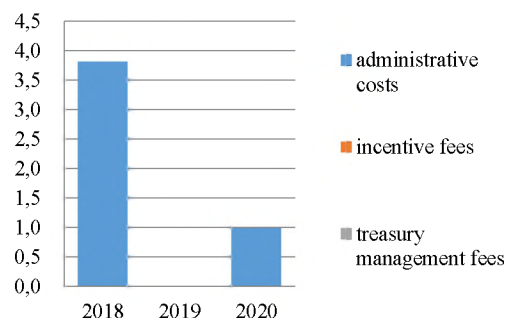
The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

NA

Management fees 2020



Management fees 2018-2020 (in million)



4.9 EU SME Initiative (focus on indirect Commission management part, i.e. COSME/H2020)

Description

Identification/Reference to the basic act

The EU SME Initiative may receive funding from the following 4 programmes.

COSME: Regulation (EU) No 1287/2013 of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020).

H2020: Regulation (EU) No 1291/2013 of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and pursuant to the Decision No 2013/743/EU of the Council of 3 December 2013 establishing the Specific Programme implementing Horizon 2020

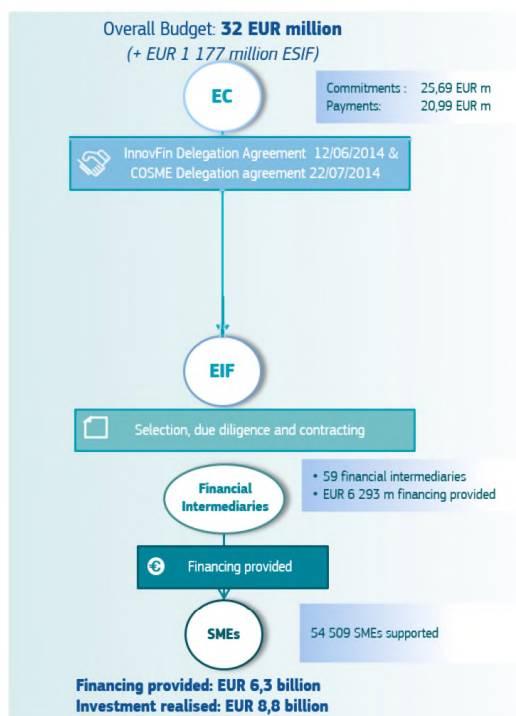
ERDF and EAFRD (Article of the 39 CPR): Regulation (EU) No 1303/2013 laying down common and general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and laying down common provisions on the European Agricultural Fund for Rural Development.

Budget lines

08.020202 / 02.029901

	2020	2021	2022
Budgetary commitment appropriations	1.588.821	0	0
Budgetary payment appropriations	3.000.000	59.594	0

Initial financial Envelope: EUR 175.000.000
Current financial envelope: EUR 32.000.000
Overall financial envelope: EUR 32.000.000⁷⁶



SME support is one of the main areas of support of the European Structural and Investment Funds (ESIF), and financial instruments play an increasingly important role within ESIF support. The basic act governing ESIF interventions is the so-called Common Provisions Regulation (CPR).

Within the financial instruments "family", the SME Initiative is a real novelty, in that it combines different EU funding resources in one financial instrument – namely resources from ESIF, COSME or Horizon 2020 and EIB Group resources. Thereby, it provides significant leverage of (both public and private) additional resources to be mobilised for SME support. Its overall aim is to enhance access to finance for SMEs, to stimulate economic growth and entrepreneurship. Access to finance is a real issue in the economy of at least several Member States in Southern and Eastern Europe: the problem is not so much the lack of liquidity in the market, but the missing transmission of that liquidity into the real economy, so that SMEs have adequate access to finance at reasonable conditions, which enables them to invest, develop their competitiveness and grow. Often, a lack of collateral on the SME side is the main reason why banks are not willing to lend.

Implementation Cycle

The SME Initiative contributes to the objectives of better SME access to finance and, thereby,

⁷⁶ H2020 reduced from EUR 60 million to EUR 28 million, COSME overall contribution is EUR 4 million.

4.9 EU SME Initiative (focus on indirect Commission management part, i.e. COSME/H2020)

enhanced SME competitiveness, innovativeness and growth.

The SME Initiative is a joint instrument, combining EU funds available under COSME and Horizon 2020 and ERDF-EAFRD resources in cooperation with EIB/EIF in view of generating additional lending to SMEs.

Three financial instruments could be implemented under the SME Initiative, and they boil down in substance to two alternative ways of operating, namely:

(*) uncapped guarantees providing capital relief to financial intermediaries for new portfolio of debt finance to SMEs, and

(**) securitisation instruments (with two possibilities, i.e. option n°2 securitisation instrument with MS contribution used exclusively for the participating MS and option n°3 securitisation instrument with several MS

contributions pooled and used to provide protection on the aggregate exposure, particularly to the mezzanine tranches guaranteed by EIF).

A portion of the new Debt Finance portfolio equal to at least 20 times the contribution under the COSME Regulation and/or 9 times the contribution under the H2020 Regulation should fulfil respectively the COSME and/or H2020 eligibility criteria.

The period of time during which the participating Member State may commit funds to the EIF was to expire on 31 December 2016, but was extended with changes to the CPR in 2018.

Duration: end of the eligibility period: 31/12/2023.

Operational Performance

So far, the SME Initiative supported 54 509 final recipients in 6 Member States through 59 financial intermediaries.

5 Member States opted for the Guarantee instrument from Horizon 2020 under the SME Initiative (Bulgaria, Finland, Malta, Romania and Spain) and Italy opted for the securitization instrument from COSME.

Bulgaria: 9 financial intermediaries with a target volume of EUR 394 m and an actual volume of EUR 589,9 m for 4.513 transactions to 3.914 final recipients,

Finland: 5 financial intermediaries with a target volume of EUR 148,8 m and an actual volume of EUR 385,1 m for 669 transactions to 631 final recipients,

Malta: 2 financial intermediaries with a target volume of EUR 79,2 m and an actual volume of EUR 66,1 m for 780 transactions to 663 final recipients,

Romania: 9 financial intermediaries with a target volume of EUR 1.273,1 m and an actual volume of EUR 484,3 m for 2431 transactions to 1.963 final recipients,

Spain: 28 financial intermediaries with a target volume of EUR 2.728,4 m and an actual

volume of EUR 4.563 m for 55.071 transactions to 46.038 final recipients.

Italy opted for the use of the Securitisation instrument under the SME Initiative, combined with COSME resources. At the end of 2020, 8 agreements have been signed with eight Italian banks, in the form of synthetic securitisation transactions, allowing the banks to build up EUR 2 billion of new lending to SMEs over the next years, which should improve access to finance for over 14,000 SMEs located in Italy.

Italy: 8 financial intermediaries, securitized existing loan portfolios on the condition that new loan portfolios will be build up. As of 31/12/2020 the additional portfolios amounted to an actual volume of EUR 427 million for 3.097 transactions to 2.975 final recipients.

The reporting of the ERDF / EAFRD part will be submitted by the Member States as part of the annual exercise as required by Article 46 of Regulation (EU) No 1303/2013 and will be summarized in an annual publication to be prepared by 31 December 2020

4.9 EU SME Initiative (focus on indirect Commission management part, i.e. COSME/H2020)

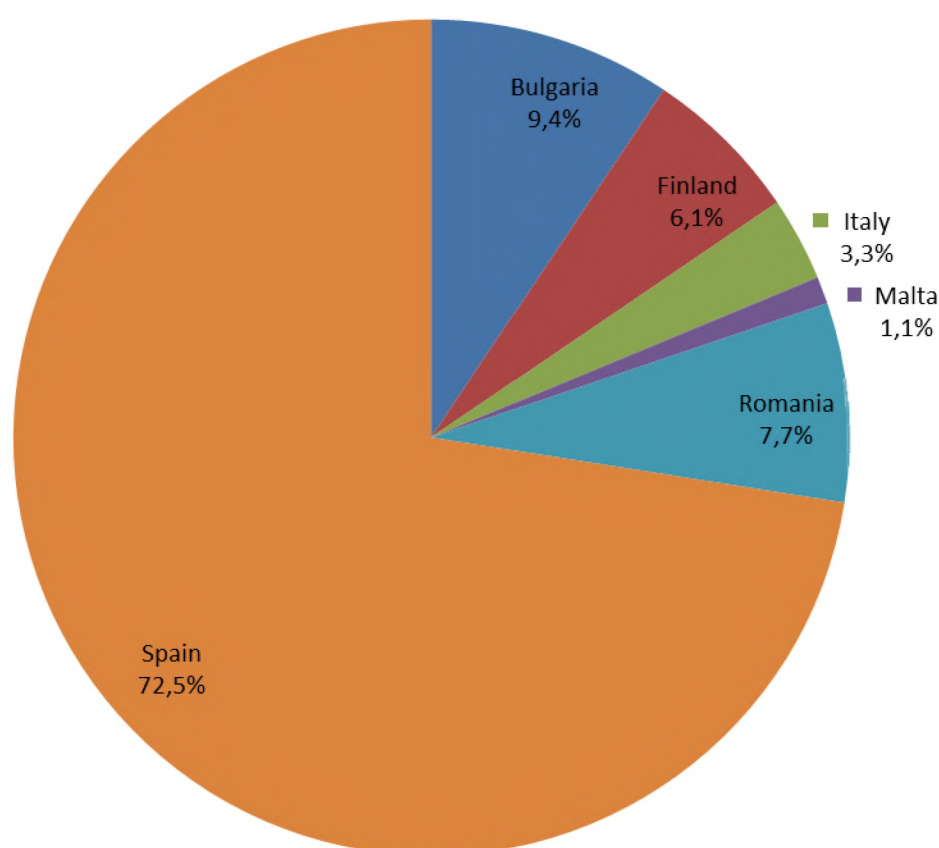
Key figures	Actual	Target
EU Contribution committed	1.212.548.238	1.214.774.684
Leverage	5,23	8,32
Multiplier effect	7,32	10
Envisaged operations	60	94
Financing provided by financial intermediaries to final recipients	6.336.224.375	11.700.000.000
Number of final recipients	52743	109000
Investments made by final recipients due to the received financing	8.870.714.125	16.380.000.000

* EU contribution indicated includes COSME, Horizon 2020 and ESIF EU contributions.

Geographical diversification

The SME Initiative is currently implemented in 6 Member States, financing provided to

recipients (EUR 6,3 billion) is distributed by country as follows:



Main issues for the implementation

No specific issue has been identified.

Financial Information

	Notes	<i>(in euros)</i>	
		2020	2014-2020
Overall budget	1		
Financial envelope available			32.000.000
EU Contribution	2		
Budgetary commitments		166.374	25.860.646
<i>of which from third countries</i>			
<i>of which from reflows</i>			
Budgetary payments		2.413.446	23.400.451
Reflows	3		
Revenues		11.717	41.969
<i>interest income</i>			
<i>risk remuneration, dividends, fees</i>		11.717	41.969
<i>realised gains</i>			
<i>other revenues</i>			
Repayments			
Payable to the Commission			
Returned to the general budget			
Returned to be used			
Losses from operations	4		
Guarantees called			
<i>guarantee calls recovered</i>			
Equity			
<i>Impairments</i>			
<i>realised losses</i>			
Costs	5		
Management fees			
<i>administrative costs</i>			
<i>incentive fees</i>			
<i>treasury management fees</i>			
Other operational and financial charges			
<i>negative interest</i>			
<i>foreign exchange losses</i>			
<i>other charges</i>			
		2020	2019
Risk exposure	6		
Maximum financial risk exposure		6.462.605	21.717.179
Assets provisioned for risk and liabilities			
Value of equity investments			
Provisions for risk and liabilities			
Fiduciary Account	7		
Balance in the fiduciary account			
<i>in euro</i>			
<i>in non-euro currencies</i>			

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Notes on financial information

4. Losses from operations: guarantee calls reported are borne by all risk takers of the SME Initiative, including the EIF and the EIB group and thus can exceed the amounts committed by Horizon 2020 and COSME.

5. SME Initiative fees are included in fees paid within the frame of InnovFin SMEG and COSME LGF

5.1 The Western Balkans Investment Framework (WBIF)

The **Western Balkans Investment Framework (WBIF)**, launched in December 2009, is a unique blending platform for the region that targets particularly infrastructure projects with a clear regional dimension. The framework is a joint initiative of the European Commission, the partner International Financial Institutions (European Investment Bank - EIB, European Bank for Reconstruction and Development - EBRD, Council of Europe Development Bank - CEB, Kreditanstalt für Wiederaufbau - KfW, Agence Française de Développement - AFD, World Bank Group – WBG) and bilateral donors.

In 2012, WBIF members took the decision to create a thematic platform on private sector development, whereby specific and tailored support would be provided to SMEs in the region. Therefore, the **Western Balkans Enterprise Development and Innovation Facility (WB EDIF)** was set-up, as an independent structure (legal basis, separate working and government bodies). Its members are most of the IFIs present in the WBIF initial setting, plus several bilateral donors and the beneficiaries themselves:

- Local institutions: the governments and the Chambers of the 6 Western Balkans economies,
- IFIs: the European Investment Bank Group, the European Bank for Reconstruction and Development, the Organisation for Economic Cooperation and Development; the World Bank Group;
- Bilateral donors: Austria, Germany, Italy.

EDIF is coordinated by the European Investment Fund (EIF) and the European Commission (DG NEAR). The objective of the platform is to foster economic development in the region and to help SMEs to access to financing. It provides assistance via financial instruments (equity, guarantees, loans) and specific programmes to boost the entrepreneurial capacity and investment readiness of the companies in the region (advisory services, accounting and financial reporting, trainings on how to attract and prepare for investments, studies etc.).

Since 2012 the European Commission provided a contribution of ca. EUR 187.3 million to WB EDIF under the Instrument for Pre-accession assistance (out of which EUR 116.6 million for financial instruments and the rest- EUR 70.7 million for technical assistance). The following financial instruments are discussed in this report:

- Guarantee Facility
 - Guarantee Facility I: EUR 21.9 million
 - Guarantee Facility II: EUR 17.5 million
 - Guarantee Facility-Serbia: EUR 20 million
 - Guarantee Facility-Youth: EUR 10 million
- Equity
 - Enterprise Expansion Fund: EUR 11 million
 - Enterprise Innovation Fund: EUR 21.2 million

The **European Fund for Southeast Europe (EFSE)** was established in 2005 by the German development bank KfW with the support of the European Union, the German Federal Ministry of Economic Development and Cooperation, and other public and private investors. EFSE fosters economic development in the Southeast Europe region through the provision of finance to intermediate lending institutions (including commercial banks, microfinance institutions and other non-bank financial institutions) that on-lend to micro and small enterprises (MSEs) and to private households, with a special focus on rural areas.

This layered fund (financial instrument) is a public-private partnership (PPP) and is registered in Luxembourg. It has its own legal personality, governance and procedures. The European Commission, through DG NEAR is a shareholder in the Fund, with separate contributions for the Neighbourhood region and for the pre-accession/enlargement region (i.e. the Western Balkans). The European Commission's shareholdings, in the form of 1st loss shares (C-shares), for the Western Balkans is administered by the European Investment Fund (EIF) through trusteeship agreements. EFSE's partner lending institutions include commercial banks, microfinance banks, microcredit organisations and non-bank financial institutions.

The **Green for Growth Fund (GGF)** was established in 2009 by the German development bank KfW with the support of the European Union, the German Federal Ministry of Economic Development and Cooperation, and other public and private investors. The GGF fosters economic development in the Southeast Europe, North Africa and Middle East regions through the provision of finance directly to renewable energy projects and to intermediate lending institutions (including commercial banks, microfinance institutions and other non-bank financial institutions) that on-lend to micro and small enterprises (MSEs) and to private households, with a special focus on energy efficiency and renewable energy investments.

This layered fund (financial instrument) is a public-private partnership (PPP) is registered in Luxembourg. It has its own legal personality, governance and procedures. The European Commission, through DG NEAR is a shareholder in the Fund, with separate contributions for the Neighbourhood region and for pre-accession/enlargement region (i.e. the Western Balkans). The European Commission's shareholdings, in the form of 1st loss shares (C-shares), for the Western Balkans is administered by the European Investment Fund (EIF) through trusteeship agreements. GGF's partner lending institutions include commercial banks, microfinance banks, microcredit organisations and non-bank financial institutions

In 2019 a process was launched to integrate under the WBIF umbrella the above mentioned regional thematic Platform (WB EDIF), the two facilities, GGF and EFSE. As a result, WB EDIF, GGF and EFSE now form an integral part of the Western Balkans Investment Framework as a single investment platform for the region, boosting investments in various sectors.

Details on the various financial instruments related to WBIF are provided in the following sections (5.1.a to 5.1.f) of this report. Please note that the present report covers only financial instruments, and excludes WBIF grants.

5.1a Guarantee Facility I (GF I)

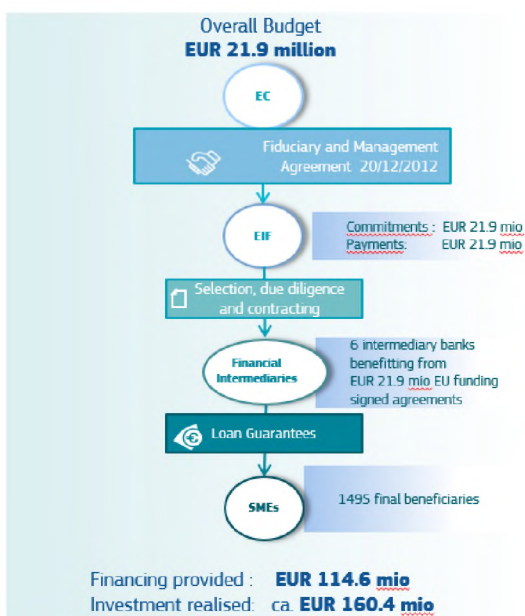
Description

Identification/Reference to the basic act			
Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA), and in particular Article 14(3) thereof (OJ L 210, 31.7.2006, p. 82).			
Budget lines			
22.020701 and 15.029901			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Initial financial envelope: EUR 21 900 000

Current financial envelope: EUR 21 900 000

Overall financial envelope: EUR 21 900 000

*Implementation cycle:*

The Guarantee Facility I was deployed under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF) as the first EU scheme of this kind for the Western Balkans. The WB EDIF Guarantee Facility serves to provide a capped guarantee for SME loans via locally represented commercial banks in the WB territories whereby such SMEs can obtain a loan to cover financing for investment and working capital of up to EUR 500 000 on preferential conditions. This first guarantee is already fully deployed

The Guarantee Facility I is implemented under indirect management, with the implementation tasks entrusted to the EIF.

The EU's entire funding to GF I amount to EUR 21,9 million (of which EUR 1,9 million is a provision for fees to the EIF as the Manager and EUR 20 million is the actual guarantee capital). The financial intermediaries have been selected through an open call for expression of interest published in 2013 and the entire amount of the capital had been allocated to guarantees in the course of 2014 and 2015.

After the fast absorption of the above mentioned funding GF I was further topped up with EUR 17,5 million in 2015 (reported here separately). Given the full absorption of the instrument the EIF also developed a national window for Serbia only, with EUR 20 million funding under IPA. That Guarantee was signed in december 2017, with 5 intermediaries selected in the autumn of 2018. DG NEAR also approved further replenishment of the Guarantee Facility aiming at Youth Employment and Training, which was deployed in 2019 (EUR 10 million) with 5 intermediaries is implementing it.

The GF I added value guaranteeing SME loan portfolios issued by commercial banks for new SME lending. Under the respective guarantee agreements, the intermediary banks, commit to a transmit the benefit to the final beneficiaries, which is determined on a case-by-case basis. These benefits include: lower interest rates, lower collateral requirements or longer loan maturities. GF I therefore improves SME access to lending by lowering the cost of borrowing in the Western Balkans, where access to loan finance remains one of the biggest difficulties for SMEs.

Duration: The instrument started on 20/12/12 and its final date of implementation is 30/11/2023.

Operational Performance

The EU contribution of EUR 21,9 million supported the deployment of a portfolio of new loans with an aggregate volume of EUR 114,6 million, creating leverage of 5,23, across six of the seven beneficiary economies.

For the GF as a whole, ~88% of the loans originated under the Western Balkans Guarantee Facility are for EUR 150 000 or smaller amounts, which demonstrates that the GF indeed targets smaller SMEs which typically struggle to obtain access to finance in this region.

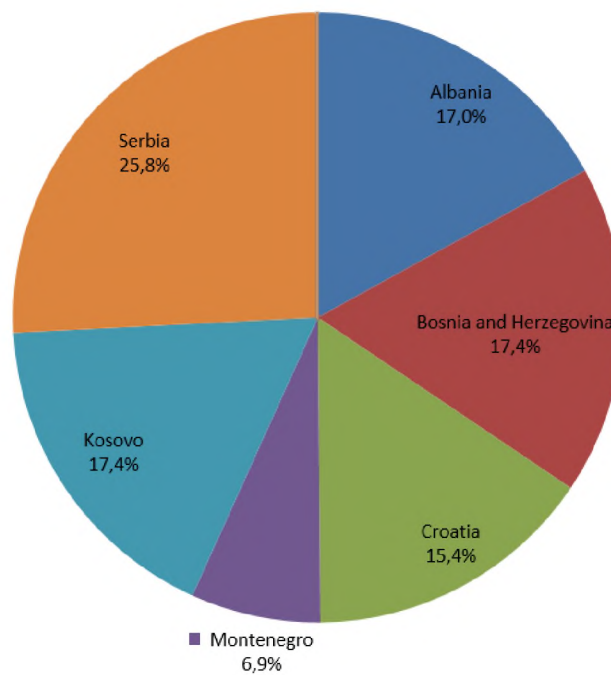
As at 31 December 2020 the utilisation figures (loans extended to SMEs) are positive across all the transactions, with almost all Financial Intermediaries nearing full utilisation. As the guarantee volume is considerably higher than the guarantee cap, there is a significant gearing effect. The guarantees called amount EUR ~2 million (~10,7% of the total Guarantee Cap amount), out of which UniCredit Bank Serbia accounts for the highest amount called (EUR 0,8 million). The supported loans cover all sectors, with in particular strong figures in wholesale trade, retail trade, manufacturing.

Key figures	<i>Actual</i>	<i>Target</i>
EU Contribution committed	21.900.000	21.900.000
Leverage	5,23	5,38
Multiplier effect	7,32	7,53
Envisaged operations	6	7
Financing provided by financial intermediaries to final recipients	114.600.000	117.900.000
Number of final recipients	1.495	NA
Investments made by final recipients due to the received financing	160.440.000	165.060.000

Geographical diversification

GF I covers 5 out of the 6 Western Balkans countries and Croatia: the Republic of North Macedonia was not covered by GF I but an intermediary responded to the call under GF II.

The graph below represents the geographic repartition of the final recipients, which have received financing under GF I so far.



Main issues for the implementation

The provision of regulatory capital relief under the Guarantee Agreements has been identified as a pivotal key success factors. It is also important to pool a sufficient number of qualified applicants. What is more, in individual cases of Intermediaries that have been pre-selected and entered legal negotiations with the EIF, it has been presented as sine qua non condition for the conclusion of negotiations with the signature of a Guarantee Agreement if the benefit

transferred to the SMEs includes pricing reductions.

This GF I was the first scheme of this kind to be deployed in the region. It paved the way for the deployment of other similar schemes under WB EDIF and COSME (Europe's programme for small and medium-sized enterprises). GF I was also used to build capacities at the level of intermediaries on how to implement EU-guaranteed instruments. The scheme has been fully utilised.

Financial Information

		(in euros)	
	Notes	2020	2013-2020
Overall budget	1		
Financial envelope available			21.900.000
EU Contribution	2		
Commitments			21.900.000
<i>of which from third countries</i>		0	0
<i>of which from reflows (source)</i>		0	0
Payments		0	21.900.000
Reflows	3		
Revenues		0	0
<i>interest income</i>		0	0
<i>risk remuneration, dividends, fees</i>		0	0
<i>realised gains</i>		0	0
<i>other revenues</i>		0	0
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be reused		0	0
Losses from operations	4		
Guarantees called		103.944	2.042.944
<i>guarantee calls recovered</i>		18.543	449.750
Equity			
<i>impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		0	1.900.000
Other operational and financial charges		70.114	237.446
<i>negative interest</i>		45.466	60.671
<i>foreign exchange losses</i>		0	0
<i>other charges</i>		24.648	176.775
		2020	2019
Risk exposure	6		
Financial risk exposure		17.573.076	17.658.477
Assets provisioned for risk and liabilities		18.264.782	18.420.177
Value of equity investments		0	0
Provisions for risk and liabilities		17.665.908	17.677.527
Fiduciary Account	7		
Balance		18.264.782	18.420.177
<i>in euro</i>		18.264.782	18.420.177
<i>in non-euro currencies(in €)</i>		0	0

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

The instrument started in 2013 and guarantee loans with maturity until December 2023

5.1b Guarantee Facility under the Western Balkans EDIF II (GF II)

Description

Identification/Reference to the basic act			
Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II) (OJ L 77, 15.3.2014, p. 11).			
Budget lines			
22.020401; 22.020102; 15.029901			
	2020	2021	2022
Budgetary commitment appropriations	4.500.682	2.000.000	0
Budgetary payment appropriations	4.000.000	0	0

Initial financial envelope: EUR 17.500.000
Current financial envelope: EUR 17.500.000
Overall financial envelope: EUR 17.500.000⁷⁷

Implementation cycle:

Guarantee Facility II is deployed under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF) and actually represents a direct continuation and a top-up of EUR 17.5 million made by DG NEAR in 2015 to the Guarantee Facility I. The product and its objectives are identical but funds are committed in a separate mandate because the WB EDIF GF II is compliant to the new Financial Regulation of 2014 and the resources are coming from IPA II. As the previous guarantee, GF II provides a capped guarantee for SME loans via the participating commercial banks in the WB territories whereby such SMEs can obtain a loan finance investment and working capital up to EUR 500.000. This Guarantee is also managed by the EIF. Two new replenishments of GF were also made, in 2017 and 2018 respectively, one entirely dedicated to Serbia (EUR 20 million) and a regional one for youth employment (EUR 10 million).

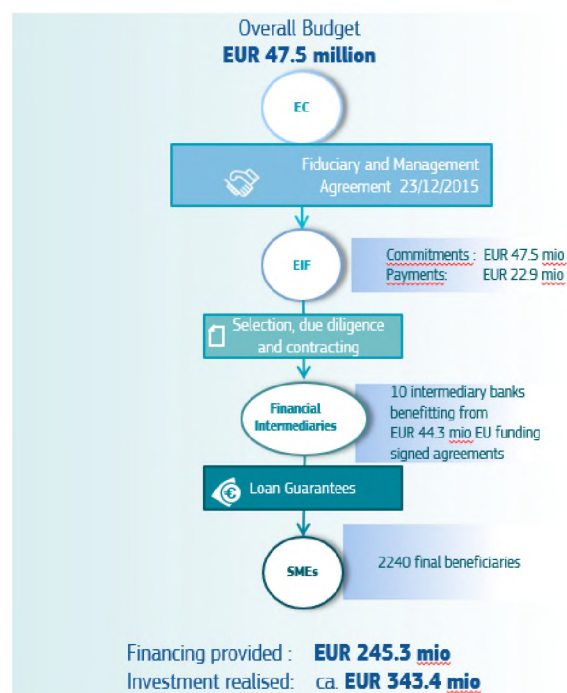
GF II is implemented under indirect management, (through a Fiduciary and Management Agreement), with the implementation tasks entrusted to the EIF.

The instrument is entirely financed by the European Commission with this replenishment amounting to EUR 17,5 million (of which EUR 1,4 million is a provision for fees to the EIF as

the Manager and EUR 16,1 million is the actual guarantee capital).

GF II is providing guarantees to targeted SMEs, with a guarantee rate of up to 70% and a Guarantee Cap of up to 25%. The exact guarantee rate and cap is being determined on a case-by-case basis. This second deployment of funding (GF II), whereby EIF signed with 5 banks in the region, shows very good results and nearly full absorption by the market.

Duration: The instrument started in 23/12/2015. EU Guarantees may be signed until 30



September 2021.

⁷⁷ For EDIF 2 alone (not taking into account the Serbia and Youth employment replenishment reported separately, see below sub “operational performance”). Total budget committed is 47,5 million.

Operational Performance

Through GF II, the EU budgetary allocation of just over EUR 17,5 million (administrative fees included) translated into an overall expected portfolio volume of EUR 107 million SME loan - more than the initially targeted one of EUR 94,5 million, resulting in an increased expected leverage of 6,1.

GF II, at the reporting date, has supported 1.232 final beneficiaries in 5 out of six Western Balkans countries (only Bosnia & Herzegovina is not benefiting). 1.470 loans were signed with this replenishment. Most of the transactions are in the wholesale, accommodation and services, and in the transport and storage sectors.

Following the success of the initial WB EDIF GF I and WB EDIF GF II, a dedicated EUR 20 million guarantee window is now created focusing on SMEs in Serbia. The Financial intermediaries under the WB EDIF GF Serbia were selected on the basis of a Call for Expression of interest in 2019. The 5 institutions implementing the GF-Serbia are: Banka Intesa (portfolio volume of EUR ~ 6 million), Komercijalna banka (portfolio volume of EUR ~3 million); ProCredit Bank (portfolio volume 7,5 million); Raiffeisen Banka (portfolio volume 1,7 million) and UniCredit Bank (portfolio volume 3,6 million). Some of the intermediaries dedicate part of their portfolio to innovative companies and start-ups. The EU contribution of EUR 20 million leverages a portfolio of ca. EUR 180 million. In total, all the five banks are

progressing with the disbursements, although they are facing some absorption challenges due to COVID-19. This is related to the fact that companies are rather searching for working than the investment capital. In addition, the Serbian Government has launched a special COVID-19 Guarantee to the banks with more favourable conditions and shorter implementation period.

In parallel, a dedicated EUR 10 million Youth Employment window is now created to improve access to finance for SMEs in all Western Balkan beneficiary economies with a view to support youth employment and professional training in the region. Five intermediaries signed agreements with the EIF in 2020: Albania (EUR 4,3 million), Bosnia and Herzegovina (EUR 1 million) and Kosovo (EUR 5,3m) for loan portfolios entirely focussed on youth (80% guarantee rate per loan). The total portfolio with all the five banks could potentially reach ca. EUR 95 million.

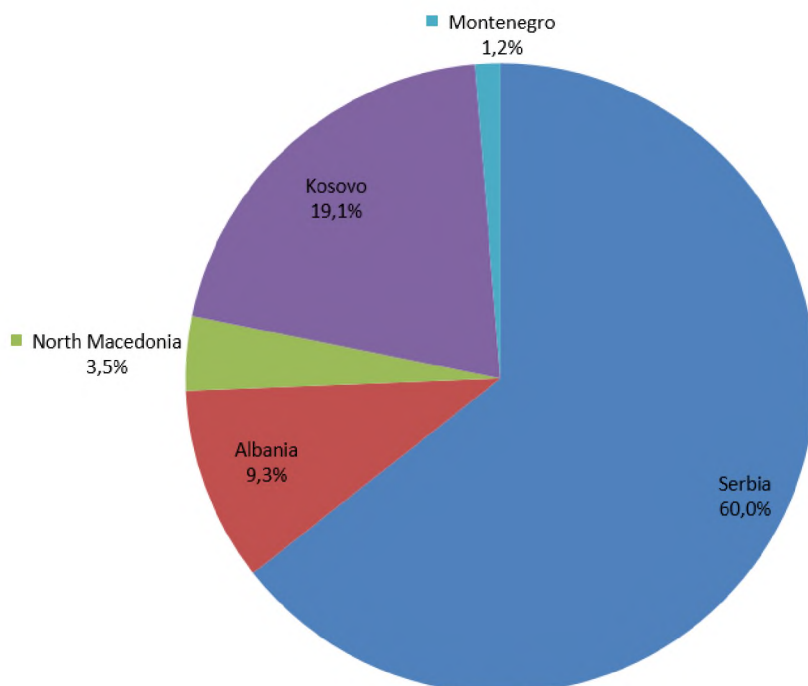
Note : the table below takes into consideration the overall budget of EUR 47,5 million for a global view of the actual & target achievements, including all 3 instruments (GF II, GF- Serbia, GF-Youth employment).

Key figures	<i>Actual</i>	<i>Target</i>
EU Contribution committed	47.500.000	47.500.000
Leverage	4.5	7.7
Multiplier effect	7.2	13
Envisaged operations	15	15
Financing provided by financial intermediaries to final recipients	245.315.000	422.000.000
Number of final recipients	2.240	NA
Investments made by final recipients due to the received financing	343.441.000	618.800.000

Geographical diversification

The five agreements signed by EIF are with the following banks (totalling EUR 105,6 million): CKB Montenegro (EUR 20 million); ProCredit Kosovo (EUR 35 million); ProKredit Banka AD Skopje (EUR 10 million); ProCredit Serbia

(EUR 25 million), Raiffeisen Albania (EUR 17 million). The graph below represents the geographic repartition of the final recipients, which have received financing under GF II so far.



Main issues for the implementation

The instrument has already proven its value added: the respective guarantee agreements with the intermediary banks commit to transmit the benefit to the final beneficiaries, which is determined on a case-by-case basis. These benefits include: lower interest rates, lower collateral requirements or longer loan maturities. Under the EU guarantee, a new SME loan portfolio is to be created reaching out to those companies that would otherwise not be served by the intermediary.

The concessional character of the Guarantee Facility could be used by the European Commission as a crisis response to deal with the COVID-19 related economic challenges in the Western Balkans. A special additional replenishment of GF with EUR 60 m is under contracting with the EIF. This new scheme will be launched in 2021 with the aim to incentivise the local intermediaries to continue providing concessional lending to the businesses.

Financial Information

		<i>(in euros)</i>	
	Notes	2020	2015-2020
Overall budget	1		
Financial envelope available			47.500.000
EU Contribution	2		
Commitments		47.500.000	47.500.000
<i>of which from third countries</i>		0	0
<i>of which from reflows (source)</i>		0	0
Payments		4.000.000	22.850.000
Reflows	3		
Revenues		0	0
<i>interest income</i>		0	0
<i>risk remuneration, dividends, fees</i>		0	0
<i>realised gains</i>		0	0
<i>other revenues</i>		0	0
Repayments		0	0
Payable to the Commission		0	0
Returned to the general budget		0	0
Returned to be reused		0	0
Losses from operations	4		
Guarantees called		488.330	575.641
<i>guarantee calls recovered</i>		254	13.296
Equity			
<i>impairments</i>		0	0
<i>realised losses</i>		0	0
Costs	5		
Management fees		210.426	1.554.592
Other operational and financial charges		40.629	74.442
<i>negative interest</i>		15.129	48.942
<i>foreign exchange losses</i>		0	0
<i>other charges</i>		25.500	25.500
		2020	2019
Risk exposure	6		
Financial risk exposure		47.789.217	37.605.735
Assets provisioned for risk and liabilities		19.978.324	16.794.799
Value of equity investments		0	0
Provisions for risk and liabilities		28.823.972	22.477.092
Fiduciary Account	7		
Balance		19.977.655	16.794.116
<i>in euro</i>		19.977.655	16.794.116
<i>in non-euro currencies (in €)</i>		0	0

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

The instruments started in 2015 (GF II), in 2018 (GF Serbia) and 2019 (GF Youth) and their termination date is in 2025, 2028 and 2029 respectively.

5.1c Enterprise Expansion Fund (ENEF)

Description

ENEF is the second of two equity funds (together with ENIF) deployed under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF). The Fund contributes to achieving the objectives of enhancing socio-economic growth of the Western Balkans via the creation of preconditions for the emergence and growth of innovative and high-potential companies. It provides equity and quasi-equity funding (such as preferred shares, convertible bonds, mezzanine or subordinated debt) on a selective basis. The instrument was meant to create an investment portfolio of approximately 15-25 companies with deals ranging from EUR 1 m to EUR 7 m in all sectors of the economy. ENEF provides expansion and development capital to companies with sales between EUR 5 million and EUR 20 million. So far, however, ENEF's portfolio covers also start-ups. Typical investment tickets are in the range of EUR 1 to 7,5 million, with additional co-financing by the European Bank for Reconstruction and Development (EBRD).

Identification/Reference to the basic act

Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA), and in particular Article 14(3) thereof (OJ L 210, 31.7.2006, p. 82).

Budget lines

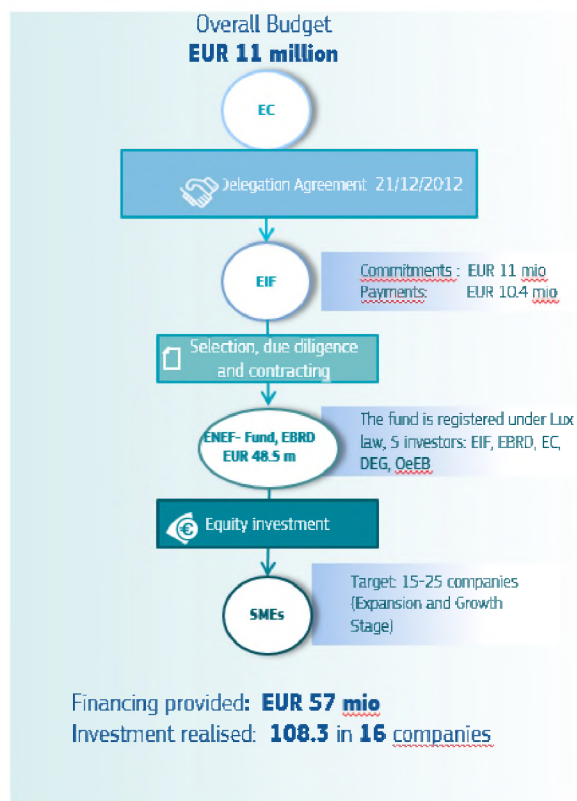
22.02.51; 15.029901

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Initial financial envelope: EUR 11.000.000

Current financial envelope: EUR 11.000.000

Overall financial envelope: EUR 11.000.000



Implementation cycle:

The Commission is implementing the instrument under indirect management in accordance with Article 139 of the Financial Regulation and has mandated the European Investment Fund to represent its interests and financial contribution to ENEF ("management of a participation of the European Community in the Enterprise Expansion Fund"). EIF is not only acting as a trustee of the EC in ENEF but is also committing own funds).

The European Bank for Reconstruction and Development (EBRD) is the Investment Advisor of the fund responsible for origination, structuring, executing and monitoring investments. An Independent Investment committee decides on investment and divestment proposals. The fund is supervised by the Board of Directors, comprised of EIF, EBRD and DEG.⁷⁸ EBRD manages ENEF through its offices in each beneficiary country. Duration: ENEF was formally incorporated under Luxembourgish Law on 14 February 2014 with an initial fund term of 10 years. In 2018 the fund's term was prolonged by 2 more

⁷⁸ Deutsche Investitions und Entwicklungsgesellschaft

5.1c Enterprise Expansion Fund (ENEF)

years to provide the possibility for a full absorption (the related decision will be amended and the contract prolonged).

Following an investment period of maximum 5 years, ENEF's portfolio will be wound up in a subsequent period of maximum 5 years.

ENEF fund size is EUR 48,5 million, with receiving commitments from the following investors:

- European Commission (EC) with a contribution of EUR 11 million of which EUR 9,5 million invested via the European Investment Fund (EIF) by means of a Trusteeship (the rest is fee + TA).

- The European Investment Fund (EIF) with a contribution of EUR 5 million,

- The European Bank for Reconstruction and Development (EBRD) with a contribution of EUR 24 million (including EUR 3 million from the Italian Investment Special Fund ("IISF"),

- The Deutsche Investitions- und Entwicklungsgesellschaft (DEG) with a contribution of EUR 5 million

- The Oesterreichische Entwicklungsbank AG (OeEB) with a contribution of EUR 5 million.

Duration: end of implementation date: 31/12/2026, extension performed in Q4 2018.

Operational Performance

The Enterprise Expansion Fund's size is EUR 48,5 million and is further leveraged in a proportion 1:1 with pari passu co-investments from the EBRD via its Local Enterprise Facility (LEF). Initially the Fund was designed to have deal-by-deal 1:1 co investment the EBRD, but after the investors agreed on some amendments, the co-investment will be looked at in a more flexible way at portfolio level.

There are 16 investments realised by the end of 2020 for a total disbursed amount of EUR 33,5 million (doubled by co-financing by the EBRD at a 1:1 ratio). The investments don't target particular sectors, but are assessed against their potential for growth, intraregional and international trade potential.

For the time being, all investments are performing in line with the Fund's expectations. No realisation was made to date, but some of the self-liquidating instruments have started generating principal repayments.

Overall, as of 31 December 2020, the Fund aggregate capital commitment invested in portfolio investments stand at ca 69,6% (ca. EUR 34 million) of its capital. The drawn down capital represents ca. EUR 30 million. Distribution of EUR 4,5 million to the investors was made in 2018, 2019 and 2020. The European Commission should receive its share through its Trustee.

Majority of the investments so far have debt characteristics and the exit strategy is linked to the repayment of the loan. Most of the investments are in the following sectors: agriculture, manufacture, property and tourism. ENEF's pipeline includes some very interesting investments. Most of ENEF clients also received complementary technical assistance through the Advice for Small Businesses (ASB) programme of the EBRD. According to the data, women are very well represented in the companies covered by ENEF (ca 50% in average).

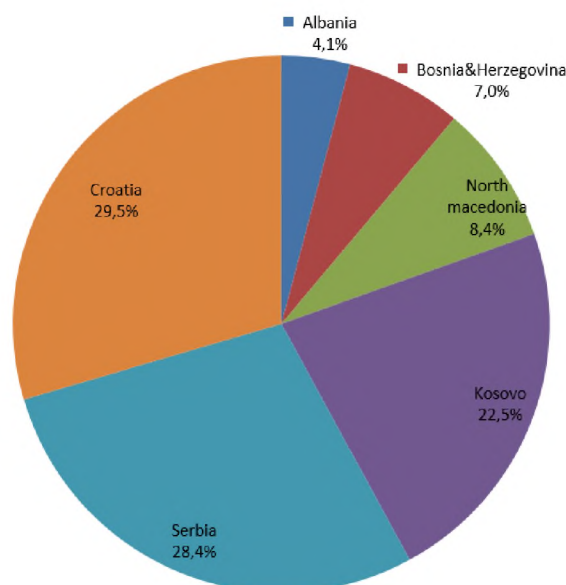
Key figures	Actual	Target
EU Contribution committed	11.000.000	11.000.000
Leverage	5.1	8.8
Multiplier effect	9.8	16.8
Envisaged operations	16	15-25
Financing provided by financial intermediaries	56.976.000	97.000.000
Number of final recipients	16	15-25
Investments made by final recipients due to the received financing	108.254.400	184.300.000

Geographical diversification

ENEF was open to invest in all Western Balkan countries (Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, Serbia and Kosovo) and Croatia.

There are 18 investments in 16 companies in the ENEF's portfolio by December 2020, 3 are in Bosnia and Herzegovina, 5 in Serbia, 2 in Croatia, 2 in North Macedonia, 1 in Albania and 3 in Kosovo.

ENEF has generalist character – the fund is investing in all eligible economic sectors, with manufacturing and services, as well as agribusiness, property and tourism attracting most of the investments.



Main issues for the implementation

ENEF is one of the first funds of its kind in the region, paving the way for equity finance in the 6 beneficiary countries. The Fund had to face many difficulties since its inception related to its pilot nature (eg. to legally set-up the fund and selection of a fund manager able to fulfill the investment strategy). The additional challenges are linked to the economic and political reality, as well as the specific business culture in the Western Balkans, where big companies' owners are reluctant to give up business ownership and enter into equity investments. They prefer to keep the business in the family.

ENEF provides EU added value supporting the equity funding in the Western Balkans. It is attracting European private sector investors to

what is perceived as a risky and complex SME market. With its European profile the fund also plays an important role in the local equity market where investors from the USA, Asia and the Middle East have recently started to operate. Furthermore, building on the EBRD experience, ENEF diversifies the sources of financing available for the high-potential companies, thus enabling growth and employment creating investments. Therefore, phase II of the fund for the period after 2020 is under programming with EUR 15 million IPA 2020 financing. Phase II of the Fund will be more impact-oriented, also to help companies to comply with social, environmental, and governance challenges.

The EU assistance for ENEF II will include investment of EUR 12 million and technical assistance for EUR 3 million.

Financial Information

		(in euros)	
	Notes	2020	2013-2020
Capital			
Fund's capital	1		48.500.000
EU stake €			9.500.000
EU stake % (B shares)			20,00
EU Contribution			
Commitments	2	11.000.000	11.000.000
of which to technical assistance		0	1.500.000
Payments		11.000.000	11.000.000
Reflows			
Revenues	3	195.876	880.688
Repayments		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations			
Impairments	4	0	0
Realised losses		0	0
Costs			
Management fees	5	91.008	494.935
of which to EIF		91.008	494.935
		2020	2019
Risk exposure			
Financial risk exposure	6	5.562.610	3.236.202
Value of equity investments		5.562.610	3.236.202
investment at cost		5.832.340	3.168.466
Fiduciary Account			
Balance	7	5.150.032	7.043.216

Notes on financial information

In line with article 4(2) of the Special Conditions, the EC Contribution of EUR 10.4 million was paid into the ENEF Trust Account on 29 January 2013. Out of this EC Contribution an amount of EUR 400.000 refers to a contribution made (paid already) to the ENEF Advisor via EIF (the "Advisory Contribution").

2. As per the Agreement, the EIF is entitled to receive an annual fee of EUR 80.000 (the "Trustee Fee") in consideration of its performance of the Action.

As per the ENEF trusteeship agreement, the EIF will commence monitoring missions on the later of (i) the third anniversary of the initial closing date of ENEF (i.e 17/03/2017) and (ii) the date on or after which more than fifty percent of ENEF's aggregate capital commitment has been invested in portfolio investments. As at 31 December 2020, the ENEF's aggregate capital commitment invested in portfolio investments stand at 69.6% of the committed capital. Starting in 2021, the obligation to carry out monitoring visits will therefore become effective.

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

The fund was launched in 2014 and operations/investment could be signed until the end of H1 2020.

5.1d Enterprise Innovation Fund (ENIF)

Description

Identification/Reference to the basic act

Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA), and in particular Article 14(3) thereof (OJ L 210, 31.7.2006, p. 82).

Budget lines

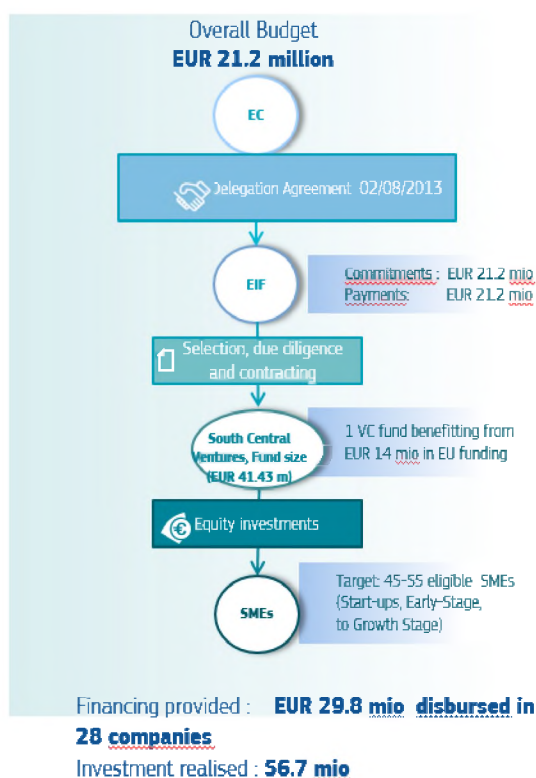
22.02.51 and 15.029901

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Initial financial envelope: EUR 21.200.000

Current financial envelope: EUR 21.200.000

Overall financial envelope: EUR 21.200.000



ENIF is one of the two equity instruments under the Western Balkans Enterprise Development and Innovation Facility (WB EDIF). It is a stand-alone venture capital fund deployed by EIF and its Fund manager is South Central Ventures (SCV). ENIF targets innovative companies with high growth potential, which are at early stage to later stage across a spectrum from pre-revenue and very early revenue through companies with established revenues and close to profitability. About 30% of ENIF's capital is invested in SMEs with tickets

ranging between EUR 0,5 – 1 million. The average investment per company is between EUR 1 and 1,5m, without limiting however the possibility for follow-on investments as well as the overall profit-oriented character of ENIF.

Implementation cycle:

The Commission implements the instrument under indirect management, where the European Commission is entrusting the implementation tasks to the European Investment Fund (EIF). ENIF's Manager is South Central Ventures ("SCV"), which was selected on a competitive basis – taking into account its experience, expertise and presence in the region.

Duration: The instrument started in 2015. Following an investment period of maximum 5 years, its portfolio will be wound up in a subsequent period of maximum 5 years, up to 2025 (the Agreement with EIF was signed on 02/08/2018 and the final date of activities is 1/08/2023).

The EU is the major investor in the fund- (EUR 21,2 m of which EUR 14,1 million investment, and a direct contribution EUR 6,2 million direct contribution to the Fund Managers expenses (only during the investment period) and fees). ENIF's ownership is structured so that each of the IPA beneficiary governments financially contributes to it corresponding to its GDP.

ENIF's EUR 25,1 million initial closing, which occurred in September 2015, was made up of contributions by the European Commission, The European Bank for Reconstruction and Development (EBRD), Croatia, North Macedonia and private investors. ENIF's ownership was further increased at a second closing in April 2016,

5.1d Enterprise Innovation Fund (ENIF)

with contribution (KfW, Montenegro and also third party capital raised by the Fund Manager). ENIF's third closing was completed on 1 March 2017, after Kosovo's investment of EUR 190.000. Moreover the Fund concluded its final closing in June 2017, with an investment of the Serbian government's investment of EUR 1.328.000 bringing ENIF's total fund (i.e. financing provided) to EUR 41.430.000.

With this final closing, the fund is at its final size and no additional closings are foreseen. The final composition of ENIF's investors is: 78% Institutional, 12% Private, and 10% Governments, presented below:

Investor	Final commitments
EC through EIF	EUR 14.10m
EIF	EUR 5.0m
EBRD	EUR 5.0m
WB Beneficiaries	EUR 4.03m
Private Investors	EUR 5.30m
KfW	EUR 8.0m
Total	EUR 41.43m

Operational Performance

ENIF will dedicate an amount of EUR 1,5 million to be exclusively invested in 25-30 companies in pre-seed and seed companies across the entire WB Region. Together with the Seed Pocket, the total number of companies to be supported is expected to be 45-55.

By December 2020 ENIF's portfolio is composed of 28 companies, out of which most are start-ups and seed capital investments (for a total disbursed directly from the Fund around EUR 30 million). At the end of H2 2020, the potential value of all deals in the pipeline, based on available information, was estimated at ca. EUR 117,4 million. The Fund has reached a percentage utilisation slightly below the amount triggering the end of the Investment Period early in H1, which left little room for additional investments in 2020. By utilising the remaining amount available, the Fund made its last

ENIF diversifies sources of financing for the innovative companies, enabling growth and employment creating investments. ENIF has particular added value as it finances the riskiest segments of SMEs, innovative SMEs and start-ups/early stage development, typically of interest to venture capital investors, who have so far avoided the region. Hence, ENIF also serves as a market test for the venture capital investment potential in the region.

When setting-up the fund, it was estimated that the EU financial contribution of EUR 21.2 million would leverage total financing of approximately EUR 40 to 50 million (equalling a total fund size), implying expected leverage of around 2. ENIF reached its target volume already in 2018.

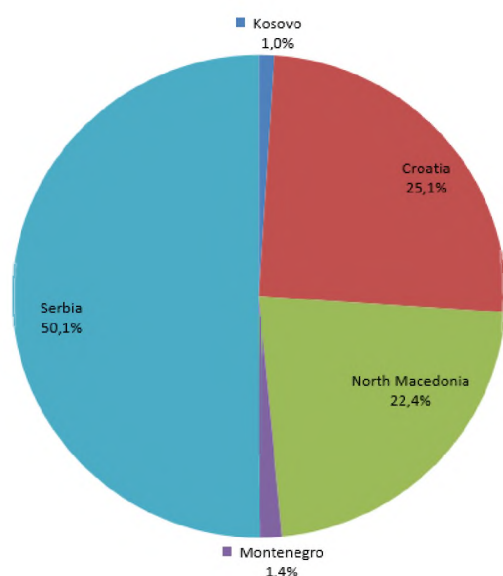
Duration: final implementation date: 1/8/2023.

investment in September 2020, after which no new investments are possible according to the Fund's legal documentation. During the reporting period the Fund manager screened 155 companies.

The focus of the Fund is on the technology sector, with particular emphasis on internet and mobile technologies (telecommunications, software development, mobile technologies, e-commerce). However, the Fund retained a generalist sector investment objective (in line with the Western Balkans entrepreneurial market which is still too immature to use extremely focused strategies).

The majority of the portfolio companies have improved their performance in Q4 compared to previous quarters despite the stricter Covid-19 related measures being re-introduced.

Key figures	Actual	Target
EU Contribution committed	21.200.000	21.200.000
Leverage	1.4	2
Multiplier effect	2.67	3.7
Envisaged operations	27	45-50
Financing provided by financial intermediaries to final recipients	29.863.000	42.400.000
Number of final recipients	28	22
Investments made by final recipients due to the received financing	56.739.700	80.560.000



Geographical diversification

During the reporting period 1 new deal was finalised in Serbia. There are no investments in Albania and Bosnia and Herzegovina, where pipeline building proved to be very challenging as most of the start-ups tend to relocate to other countries early-on. Based on available information the potential value of all deals in the pipeline was estimated to be around EUR 117,4 million of which EUR 81,2 million in Croatia, EUR 28,96 million in Serbia, EUR 6,55 million in North Macedonia, EUR 0,495 million in Kosovo, EUR 0,1 million in Albania and EUR 0,1 million and EUR 0,01 million in respectively Montenegro and Bosnia and Herzegovina.

Main issues for the implementation

- The Fund contributed to the emergence of the regional equity market and plays an important role in stimulating the growth of start-ups and digital companies- one of the main EU priorities for the Western Balkans. This is a unique fund with EU investments and its performance exceeds this of other equity funds with EU capital;
- COVID-19 brought some challenges to ENIF's pipeline. The Fund manager took measures to provide further support to those companies who needed it to cope with those difficulties. Many of the companies, in the ICT sector, however benefiting from the situation and were even able to multiply their returns.
- The Fund made its last investment in September 2020, after which no new investments are possible according to the

- Fund's legal documentation. The Fund manager's focus has gradually shifted towards portfolio management and identification of exit opportunities for the existing investees. However new opportunities were identified throughout the region by the Fund and could be financed in phase II of ENIF to be launched in the second half of 2021. The EU participation in ENIF II is under contracting with IPA 2020 funds of EUR 15 million;
- As at 31 December 2020, the ENIF's aggregate capital commitment invested in portfolio investments stands at 72 % of the committed capital. Due to COVID-19 travel restrictions, the planned monitoring mission of the Fund in 2020 was cancelled.
- ENIF's Advisory Board meetings took place via conference call.

Financial Information

		(in euros)	
	Notes	2020	2019
Capital	1		
Fund's capital		41.300.000	
EU stake €		14.100.000	
EU stake % (equal treatment)			35
EU Contribution	2		
Commitments		21.200.000	21.200.000
<i>of which to technical assistance</i>		6.200.000	6.200.000
Payments		21.200.000	21.200.000
Reflows	3		
Revenues		0	0
Repayments		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations	4		
Impairments		0	0
Realised losses		0	0
Costs	5		
Management fees		903.179	5.800.000
<i>of which to EIF</i>		83.821	1.081.363
		2020	2019
Risk exposure	6		
Financial risk exposure		13.043.000	10.391.183
Value of equity investments		13.043.000	10.391.183
<i>investment at cost</i>		10.205.489	9.226.892
Fiduciary Account	7		
Balance		4.850.327	6.749.768

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

The Fund started activity in 2015 and its legal basis allows signature of operations until 2 September 2020 (end of investment period). After this period only re-investments in portfolio companies could be made.

Notes on financial information

- As per the Agreement, the EIF is entitled to receive an annual fee of EUR ~ 80.000 (the "Trustee Fee") in consideration of its performance of the Action.
- The 2020 Trusteeship fee was provided to the EC as part of the 2020 H2 reporting package.

5.1e Green for Growth Fund (GGF)

Description

Identification/Reference to the basic act

Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) (OJ L 210, 31.7.2006, p. 82). Crisis Response Package, IPA 2009/021-373.
 Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II).

Budget lines

BGUE-B2009-22.020701, BGUE-B2009-22.020701, BGUE-B2009-22.020701, BGUE-B2009-22.020701, BGUE-B2017-22.020401, B2021-15.029901

	2020	2021	2022
Budgetary commitment appropriations	10.000.000	0	0
Budgetary payment appropriations	0	9.570.000	0

Initial financial envelope: 19.000.000 EUR
Current financial envelope: 59.000.000 EUR
Overall financial envelope: 59.000.000 EUR

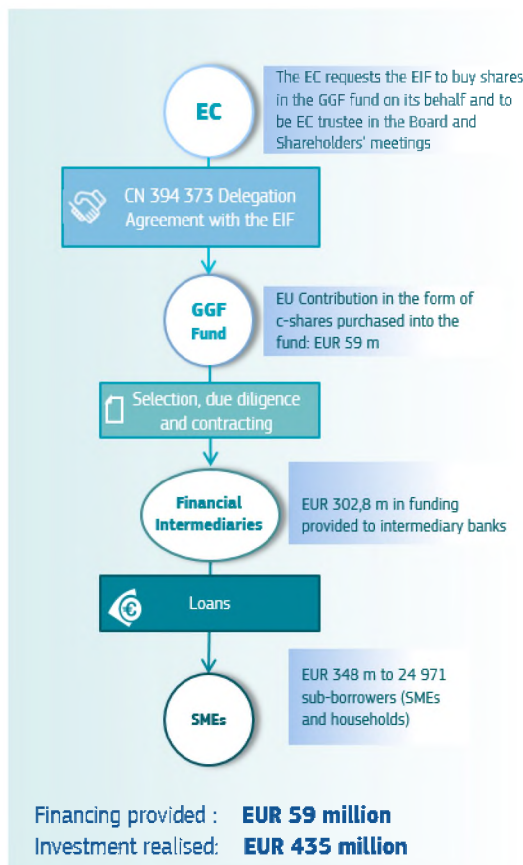
Implementation cycle: 2009 - 2020

The GGF, established in 2009, is a structured fund (public private partnership) providing financing and technical assistance for energy efficiency and renewable energy. GGF is set up as an evergreen fund with no fixed termination date.

GGF provides:

Loans to Financial Institutions (local commercial banks, non-bank financial institutions such as microfinance institutions and leasing companies and other selected financial institutions) which are in turn providing loans to households, businesses, municipalities and the public sector to finance energy efficiency measures such as insulation of houses, purchasing energy efficient devices and equipment or switching to energy efficient production processes. Investments through Financial Institutions constitute the majority of GGF's investments (90% of the portfolio).

Direct financing to Non-Financial Institutions (companies, energy service companies, renewable energy companies or projects, small scale renewable energy and energy efficiency service and supply companies) that meet GGF energy saving and/or emissions targets, that comply with the technical criteria and are not on the GGF exclusion list (10% of the portfolio).



5.1e Green for Growth Fund (GGF)

GGF is accompanied by a dedicated Technical Assistance Facility (TAF) that plays a key role by providing targeted technical assistance to financial institutions and project developers in conjunction with GGF funding.

Balkans, were defined as perpetual shares. However, the new policy is to liquidate the funds after 20 years at the latest, which applies to the 2016 C shares tranche of EUR 20 million.

Note that the initial commitment of EUR 19 million in 2009 and the second commitment of EUR 20 million in 2011, both made under the previous Financial Regulation in the Western

Duration: final implementation date: N/A.

Operational Performance

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	58.633.233	58.633.233
Leverage	5,9	4,5
Multiplier effect	7,4	N/A
Envisaged operations	N/A	N/A
Financing provided by financial intermediaries	348.000.000	N/A
Number of final recipients	24.971	N/A
Investments made by final recipients due to the received financing	435.000.000	N/A

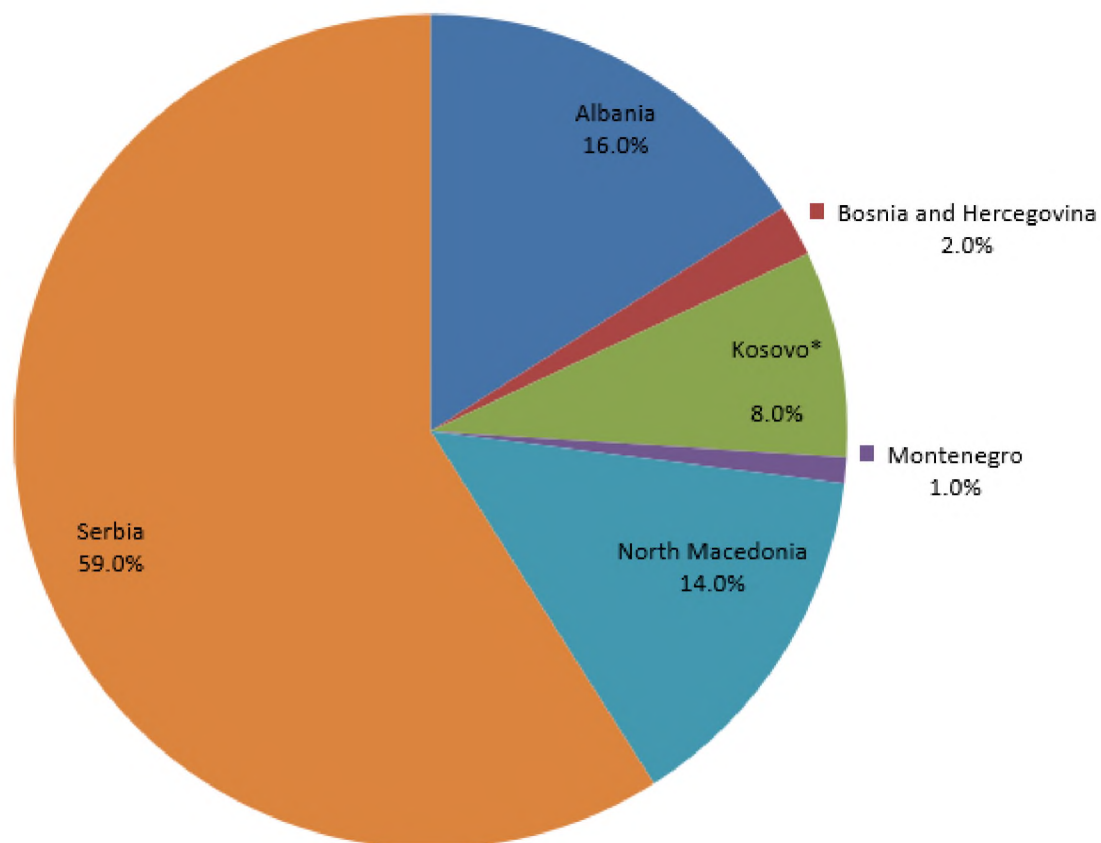
The GGF started operations in 2011. The European Commission holds 20,6% of the subscribed total capital and, importantly, 34,3% of the shares (including A, B and C shares) making it the largest donor ahead of Germany (12,5% resp. 19,6%). Since the inception of the Fund, the European Commission had committed EUR 59 million for the GGF in the Western Balkans. This investment has supported loans to partner intermediary banks

of EUR 302,8 million (Cumulative GGF portfolio in the Western Balkans). Ultimately GGF supported EUR 348 million in loans from partner intermediary banks to 24.971 sub borrowers, triggering investments worth EUR 435 million, thus achieving a leverage of approximately 5,9 (meaning EUR 1 of EU contribution resulted in EUR 5,9 financing to final beneficiaries) and an estimate multiplier of 7,4.

Geographical diversification

In general, the GGF portfolio in the Western Balkans is diversified. The Fund is active across the region with the largest outstanding portfolio in Serbia (59% of the total), followed by Albania (16%) and North Macedonia (14%). The GGF is also active in Bosnia and Hercegovina (2%), Kosovo* (8%) and Montenegro (1%).

*This designation is without prejudice to positions on status, and is in line with UNSC 1.244 and the ISJ Opinion of the Kosovo Declaration of Independence.



Main issues for the implementation

For the GGF in general, efforts to improve information sharing and involvement of the EU Delegations are currently being made. The exchange of information and further involvement of the EU Delegations will allow for the creation of synergies with other programmes and efficiency gains. The Fund Advisor is also encouraged to liaise and exchange information with the EU Delegations

directly. Efforts are also made to ensure coordination with the Commission services in charge of the investments in the Neighbourhood region as well as with other investors in the GGF, in particular with the investors in C shares. There is also still room for improvement of the reporting, monitoring and evaluation functions.

Financial information

		<i>(in euros)</i>	
	Notes	2020	2016-2020
Capital	1		
Fund's capital			671.259.829
EU stake €			58.633.233
EU stake % (C shares)			20,6%
EU Contribution	2		
Commitments		10.000.000	20.000.000
<i>of which to technical assistance</i>		0	-
Payments		0	20.000.000
Reflows	3		
Revenues		-	-
Repayments		-	-
Returned to the general budget		-	-
Returned to be used		-	-
Losses from operations	4		
Impairments		2.167.752	2.167.752
Realised losses		0	0
Costs	5		
Management fees		156	708
<i>of which to EIF</i>		156	708
		2020	2019
Risk exposure	6		
Financial risk exposure		56.465.481	55.337.305
Value of equity investments		56.465.481	55.337.305
<i>investment at cost</i>		58.633.233	58.633.233
Fiduciary Account	7		
Balance		-	-

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Notes on financial information

All amounts are committed in Delegation Agreements for the entire operation.
No C shares were called yet.

5.1f European Fund for Southeast Europe (EFSE)

Description

Identification/Reference to the basic act

Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA) (OJ L 210, 31.7.2006, p. 82). European Fund for Southeast Europe (EFSE) Community Assistance for Reconstruction, Development and Stabilisation (CARDS).

Budget lines

B2009-22.020701, B2009-22.020701, B2009-22.020701, B2011-22.020701, B2016-22.020401, B2021-15.029901

	2020	2021	2022
Budgetary commitment appropriations	18.000.000	-	-
Budgetary payment appropriations	-	10.720.000	-

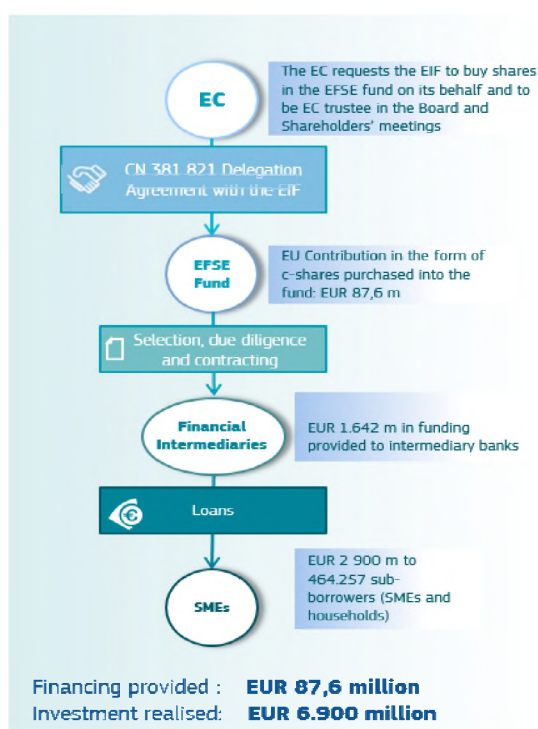
Initial financial envelope: EUR 41.800.000
Current financial envelope: EUR 87.600.000
Overall financial envelope: EUR 87.600.000

Implementation cycle: 2005-2020

EFSE, established in 2005, fosters economic development in the Southeast Europe (SEE) region and in the European Eastern Neighbourhood region through provision of additional development finance, notably to micro and small enterprises and to private households via qualified institutions. Via its Development Facility (DF), EFSE provides advisory services to increase the entrepreneurial and financial capacities of entrepreneurs and SMEs. EFSE is established as an evergreen fund with no fix termination date.

Note that the commitments were made under the previous financial regulation for the Western Balkans and the shares purchased were defined as perpetual.

Duration: final implementation date: NA.



Operational Performance

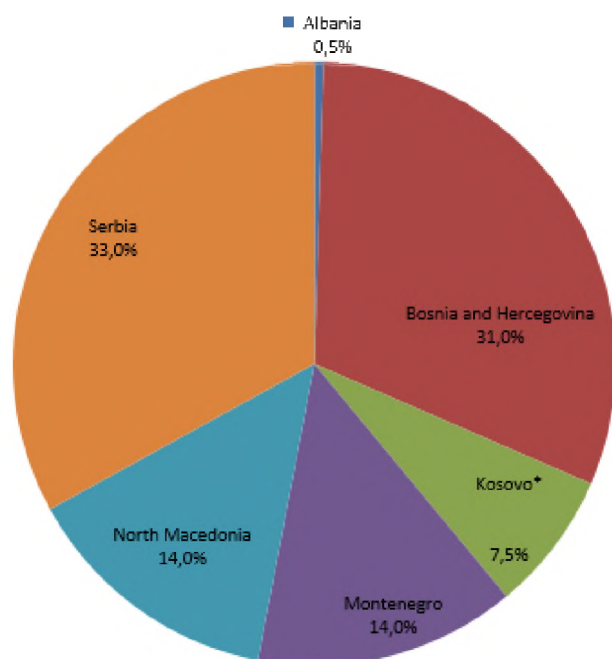
The European Fund for Southeast Europe (EFSE) is active in Southeast Europe including the Western Balkans since 2005 and in the Eastern Neighbourhood since 2007. Holding today 16,2% of subscribed total capital and, importantly, 22,6% of the shares (including A, B and C shares), the Commission is EFSE's second largest donor after Germany (24,3%

resp. 34,2%). As regards the EU contribution to the EFSE for the Western Balkans, the Commission contributed to the Fund in different agreements, starting with EUR 41,8 million in 2006 and achieving a total of EUR 87,6 million by 2017. These investments have supported loans from the EFSE Fund to partner intermediary banks of EUR 1,642 billion

(cumulative EFSE portfolio in the Western Balkans). Ultimately, EFSE supported EUR 2,9 billion in loans from partner intermediary banks to 464.257 sub borrowers, triggering investments worth EUR 6,9 billion, thus

achieving an approximated leverage of 32 (meaning EUR 1 of EU contribution resulted in EUR 32 financing to final beneficiaries) and an estimate multiplier of 79.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	87.635.377,38	87.635.377,38
Leverage	32	4-5
Multiplier effect	79,12	N/A
Envisaged operations	N/A	N/A
Financing provided by financial intermediaries	2.900.000.000	N/A
Number of final recipients	464.257	N/A
Investments made by final recipients due to the received financing	6.933.711.058,31	N/A



Geographical diversification

In general, the EFSE portfolio in the Western Balkans is diversified. The Fund is active across the region with the largest outstanding portfolio in Serbia (33% of the total), followed by Bosnia and Herzegovina (31%) and North Macedonia (14%). EFSE is also active in Montenegro (14%), Kosovo* (7,5%) and Albania (0,5%).

*This designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ISJ Opinion of the Kosovo Declaration of Independence.

Main issues for the implementation

For the EFSE in general, efforts to improve information sharing and involvement of the EU Delegations are currently being made. Exchange of information and further involvement of the EU Delegations will allow room for the creation of synergies with other programmes and efficiency gains. Fund Advisor is also encouraged to liaise and exchange information with the EU Delegations directly. Efforts are also made to ensure coordination with the Commission services in charge of the investments in the Neighbourhood region as well as with other investors in the EFSE, in particular with the investors in C shares. Efforts are done to redirect the EFSE portfolio in the Western Balkans, towards productive (SME) loans as

the part dedicated to housing is quite significant (61% of the overall portfolio), reaching 74% in Serbia, 82% in Montenegro and 90% in North Macedonia. There is also still room for improvement of the reporting, monitoring and evaluation functions.

Financial Information

		<i>(in euros)</i>	
	Notes	2020	2006-2020
Capital			
	1		
Fund's capital			924.256.795
EU stake I			87.635.377
EU stake % (C shares)			16,2%
EU Contribution			
	2		
Commitments		18.000.000	18.000.000
<i>of which to technical assistance</i>		<i>8.000.000</i>	<i>8.000.000</i>
Payments		0	-
Reflows			
	3		
Revenues		-	-
Repayments		-	-
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations			
	4		
Impairments		0	0
Realised losses		0	0
Costs			
	5		
Management fees		104.500	4.725.200
<i>of which to EIF</i>		<i>104.500</i>	<i>4.725.200</i>
		2020	2019
Risk exposure			
	6		
Financial risk exposure		112.064.664	112.024.835
Value of equity investments		112.064.664	112.024.835
<i>investment at cost</i>		<i>87.635.377</i>	<i>87.635.377</i>
Fiduciary Account			
	7		
Balance		-	-

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Notes on financial information

All amounts are committed in Delegation Agreements for the entire operation.
No C shares were called yet.

5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)

Description

Identification/Reference to the basic act			
Regulations (EC) No 1905/2006, (EU) Nos 233/2014 and 236/2014			
Budget lines			
14.029902			
	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	1.000.000	0	0

Initial financial envelope: EUR 25.000.000

Current financial envelope: EUR 101.100.000*

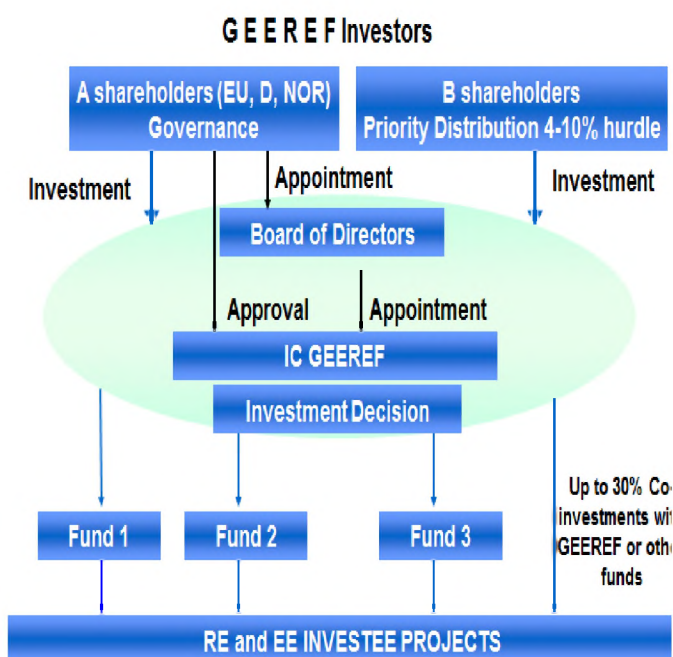
Overall financial envelope: EUR 101.100.000*

*The EUR 101,1 million also include EUR 5 million for Technical Assistance and EUR 20 million financed under EDF.

Implementation cycle:

GEEREF is a Fund-of-Funds, established as the first compartment of the European Initiative on Clean, Renewable Energy, Energy Efficiency and Climate Change related to Development SICAV, SIF. Its aim is promoting energy efficiency and renewable energy in developing countries and economies in transition. In addition to the European Commission, Norway and Germany have invested approximately EUR 13 and 23 million respectively in GEEREF and were actively involved in its creation. The Commission, Norway and Germany have all subscribed to first loss shares, and are called A-shareholders. In addition, 24 private investors have committed EUR 110 million to the fund, while the European Investment Bank (EIB) has also invested EUR 10 million. The EIB and the private investors (called “B Shareholders) have second-loss shares in the fund.

GEEREF is advised by the the EIB Group.



Operational Performance

The current operations and results are covered by the full contribution committed (not only by the EC budget share) and have been partially impacted by Covid19.

As of 31 December 2020, the Fund has signed commitments to 15 portfolio funds, of which 14 are still active:

- In 2009, the Fund invested ZAR 108,5 million (EUR 10 million at prevailing exchange rate) in Evolution One, which

focuses on clean energy investment in Southern African Development Community (“SADC”) countries. The fund has ended its investment period and the end of its lifetime is extended till end of 2021 to allow for the finalisation of its last investment sale.

- In 2009, the Fund invested EUR 12,5 million in the Renewable Energy Asia Fund (“REAF”), which focuses on renewable energy projects in Asia (primarily India and the

Philippines). The team has successfully raised a successor fund, REAF II, into which GEEREF has also committed, cf. below for further information on REAF II.

- In 2010, the Fund made a conditional commitment of EUR 10 million in the DI Frontier Market Energy & Carbon Fund (“DI Frontier”), a private equity fund concentrating on renewable energy infrastructure in Eastern Africa. 13 (2 still under process) out of the 19 project companies of the DI Frontier’s portfolio were sold to Frontier II. The Fund is using the proceeds of the sale of assets to Frontier II to finance the remaining capital need for the remaining assets.

- In 2011, the Fund made a conditional commitment of the USD equivalent of EUR 12,5 million (converted into USD 18,1 million) to Emerging Energy Latin America Fund II (formerly Cleantech Latin America Fund II), a private equity fund investing primarily in renewable energy infrastructure in Latin America and the Caribbean. Signature of the conditional commitment was completed on 4 July 2011. The last asset has been sold and the fund partnership has been dissolved on 7 November 2016 and no longer exists.

- In 2012, the Fund invested the USD equivalent of EUR 10 million in the Armstrong South East Asia Clean Energy Fund (“Armstrong”) - a fund concentrating on investments in Southeast Asia. Its investment period was extended to 8th August 2018. Out of the 12 projects, 9 have been successfully disposed; 1 was sold in January 2021 and the exit of the last fund is foreseen in 2021.

- At the end of December 2012, GEEREF signed a conditional commitment of EUR 10 million in the MicroCarbon Development Fund (“MCDF”) - a fund focusing on energy efficiency projects in Central America and the Caribbean. In 2013, the fund changed its name to MGM Sustainable Energy Fund (“MSEF”). MSEF has now committed or allocated all its capital into 27 active investments and finished its investment period.

- At the end of December 2014, GEEREF signed a EUR 12 million, in Indian Rupees, commitment to Solar Arise India Project Private Limited, an investment vehicle focussing on solar photovoltaic (“PV”) investments in India. Solar Arise remains in investment mode. End 2019, Solar Arise had six deals in its portfolio. The sixth project is expected to be commissioned in Q1 2021.

- On 12 June 2015, GEEREF signed a USD 13 million conditional commitment agreement to

the Caucasus Clean Energy Fund I (“CCEF”). The fund will invest primarily in small and medium scale green-field run-of-river HPPs, with a capacity of approximately 10-20 MW. The fund made 6 investments (5 still active).

- On 14 September 2015, GEEREF signed a USD 19,6 million commitment into the Africa Renewable Energy Fund (“AREF”), a fund focusing on renewable energy infrastructure investments (small and medium-sized hydro, wind, solar PV, geothermal and biomass projects) across Sub-Saharan Africa (except South Africa). The fund invested in 17 companies and has finished its investment period.

- In December 2015, GEEREF signed a conditional commitment of up to EUR 15 million to the Renewable Energy Asia Fund II (“REAF II”). REAF II is the first follow-on fund from the existing GEEREF portfolio and successor to the Renewable Energy Asia Fund. The final close of REAF II was achieved in November 2017 at a size of just above USD 200 million. REAF II is in investment mode till March 2021. The fund has built a portfolio of 14 projects, early stage renewable assets or project developers across different Asian countries.

- In July 2016, GEEREF signed a USD 16,6 million commitment to the Catalyst MENA Clean Energy Fund (“Catalyst” or “CMCF”) which reached a size to USD 57,3 million. The investment period was restated as a result of a remedial action plan requested by the fund’s limited partners. CMCF concentrates on renewable energy and energy efficiency investments in the Middle East and North Africa, with a special focus in Jordan with 4 investments made and 2 under process in Egypt.

- In December 2016, GEEREF signed a USD 21 million conditional commitment to Evolution II, the successor fund to Evolution One to focus on Sub-Saharan Africa. At end of 2019, the fund has built a portfolio of eight investments.

- In March 2017, GEEREF signed a commitment of USD 20,8 million (equivalent of EUR 20 million) in Frontier Energy II, the successor fund to DI Frontier Fund (see above), targeting Renewable Energy projects in East Africa. The portfolio comprises 24 investments in development/construction phase, only 2 operational end of 2020.

- In March 2019, MSEF II, the successor fund to MSEF achieved a closing including GEEREF. The main focus remains on Energy

Efficiency projects in Latin America. The final closing at USD 125 million occurred in Q3 2020. It is expected, building on the pipeline, that MSEF II can swiftly deploy the capital.

- In July 2019, GEEREF made a USD 19,6 million commitment in a pan-African renewable fund ARCH Africa Renewable Power Fund L.P. (“ARPF”). This fund already had a first close in February 2019. Together

with the General Partner and GEEREF, investors committed ~USD 126 million to ARPF. The fund manager of ARPF is in full fundraising mode which is significantly impacted by Covid-19. As of end 2020, ARPF has four investments in its portfolio.

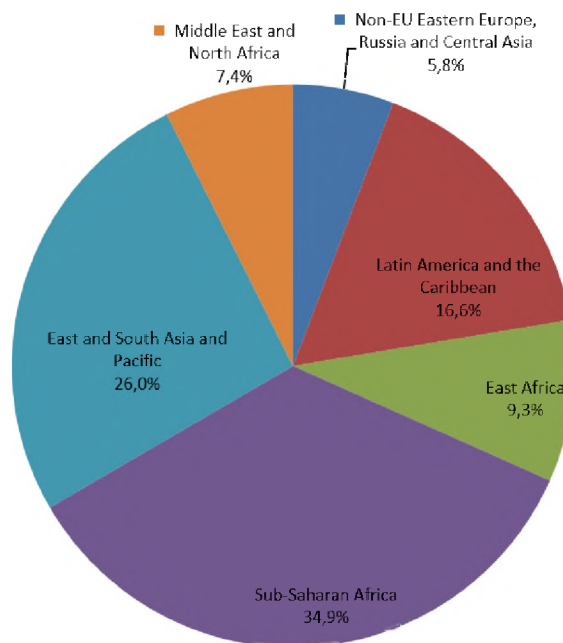
<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	78.299.357	101.100.000
Leverage	1,46	2,19
Multiplier effect	10,44	9,89
Envisaged operations	14	13
Financing provided by financial intermediaries to final recipients	114.020.887	222.000.000
Number of final recipients	180	73
Investments made by final recipients due to the received financing	817.176.837	1.000.000.000

*includes EDF funds and TA

Geographical diversification

The scope of GEEREF is to support regional sub-funds for Sub-Saharan Africa, Caribbean, and Pacific Island States, the countries of the European Neighbourhood Policy and Russia,

Latin America, and Asia (including Central Asia and the Middle East). There is a special emphasis on serving the needs of the African Caribbean and Pacific (ACP) countries.



Main issues for the implementation

Investment Strategy

- It is expected that the GEEREF will lead to an increased engagement of the private sector by providing “patient capital”. This will improve the investment conditions for private equity co-investors or senior lenders, thereby making selected project/SMEs eligible for funding from these sources, previously outside their reach. GEEREF ensures review and enhancement of the funds’ E&S practices via regular monitoring..

As reported by the Fund Manager at the end of 2019, GEEREF has achieved the following results:

- 3GW of clean energy capacity in different stages (installed and in development until December 2019).

Compared to 2018, in 2019 GEEREF’s funds registered a 32 per cent increase in the installed capacity, reaching a total of 1.600 MW. 1.000 MW capacity generation is still in development.

- 3.847 GWH of clean energy have been generated in 2019 thanks to investments

supported by GEEREF, a small increase as compared to 2018. This is equivalent to the annual energy consumption of more than 2,7 million households. Most of the generation happened in Africa, South and Southeast Asia

- 152 GWH Energy saved per year.

The funds (included a liquidated one) in GEEREF’s portfolio (MSEF and Evolution I– and the liquidated fund (EELAFII)) targeting energy efficiency have a total of 18 operational projects in their portfolios. Combined, these projects generated savings of 85 GWH in 2019, with the majority of the savings (about 85%) located in Latin America with most in Mexico, Colombia, Panama and Costa Rica.

- 2,5 million tons of yearly emissions of CO2 equivalent avoided.

In 2019, the electricity production and savings (including projects exited from the funds) contributed to the avoidance of an equivalent of 2,5 million tons of CO2 annually.

Financial Information

	Notes	2020	(in euros) 2008-2020
Capital	1		
Fund's capital			176.196.187
EU stake €			78.299.357
EU stake % (A shares)			44,40
EU Contribution	2		
Commitments		0	81.100.000
of which to technical assistance		0	5.000.000
Payments		0	79.500.000
Reflows			
Revenues		0	0
Repayments		0	0
Returned to the general budget		0	0
Returned to be used		0	0
Losses from operations	3		
Impairments		3.192.246	8.276.805
Realised losses		0	0
Costs	4		
Management fees		1.854.558	18.375.174
of which to EIF		1.854.558	18.375.174
		2020	2019
Risk exposure	5		
Financial risk exposure		66.024.195	74.432.384
Value of equity investments		66.024.195	74.432.384
investment at cost		74.301.000	74.301.000
Fiduciary Account	6		
Balance		405.584	784.336

Notes on financial information

1. Amounts provided at "Fair Value". Based on Q4 2020 Financial Report. Include EDF investments in the Fund.
2. Commitments and payments from Budget only. Includes TA.
3. Based on net asset value for shares as of 31 December 2020 (with values as of 30 September 2020 - excluding EDF funds).
- 4.1 Figures for "Management Fees" reflect the overall amount charged to the GEEREF sicav by the European Investment Fund as "Advisor". "Management Fees" levels are established on the GEEREF prospectus' Annex 1: "The Advisor". The "Management Fees" don't represent an additional disbursement for the Investors over their capital commitment, as the Management Fees are covered by the own activity of the GEEREF sicav.
- 4.2 An additional amount of EUR 1.155.698,50 - not included in the figures reflected in the table - has been paid to the European Investment Fund since the GEEREF inception due to the "European Community Mandate to European Investment Fund" concluded between the European Union (represented by the European Commission) and the European Investment Fund (EIF), on 14 December 2007.
5. Based on net asset value for shares as of 31 December 2020 (with values as of 30 September 2020 - excluding EDF funds).

6. The balance of the fiduciary account reflected in the table, includes the below amounts linked to the GEEREF Regional Fund Support Facility:
31/12/2019: EUR 784.336
31/12/2020: EUR 405.584

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

15 years from the initial closing date, 6 Nov 2008. The duration may be extended twice by one year at the Discretion of the GEEREF's BOARD with the consent of GEEREF A-Shareholders representing at least 75 % of the GEEREF Total Commitments.

5.3 Facility for Euro-Mediterranean Investment Partnership (FEMIP)

Description

FEMIP was created in October 2002, following the conclusions of the Barcelona European Council in March 2002 that private sector development in the Mediterranean region should be stimulated, to facilitate a higher level of economic growth. FEMIP combined EIB loans with EU-budget resources to provide technical assistance, risk capital and interest rate subsidies for environmental projects.

Identification/Reference to the basic act

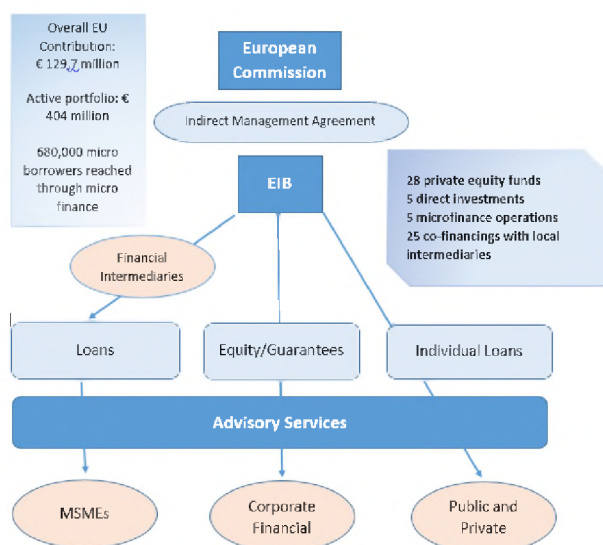
Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (OJ L 310, 9,11,2006, p.1)

Budget lines

22.04.51.00 and 14.029901

	2020	2021	2022
Budgetary commitment appropriations	0	0	0
Budgetary payment appropriations	0	0	0

Current financial envelope: EUR 129.676.819 million



Implementation cycle:

The overall objective of FEMIP is to promote sustainable economic growth in the region through investments in infrastructure and especially in private sector development. The objective of the EU's support to FEMIP focusses on providing capital to the private sector of Mediterranean partner countries *pari passu* with other commercial investors in the region, in the form of risk capital, technical assistance and microfinance.

Operations are implemented in indirect centralised management with the European Investment Bank (EIB). The EIB is entrusted to carry out the implementation of these operations.

Risk capital is invested directly or indirectly to (i) support the private sector, i.e. enable the creation, restructuring or growth of enterprises (ii) strengthen the role of the local financial sector by supporting the creation of new institutions or the establishment of new activities for the benefit of the private sector. The Risk Capital operations consist of private equity and microfinance operations.

The operations accounted for under FEMIP were first initiated by Financial Protocols (since 1980), then under MEDA I and II (1997-2006) and finally under ENPI (2007-2013). Under the ENPI instrument, the EU budget allocated an annual funding of EUR 32 million to the EIB between 2007 and 2013 (i.e. EUR 224 million in total), of which 33,1 million were used for technical assistance. These EUR 224 million have been reduced to the current EUR 129,7 million, due to

5.3 Facility for Euro-Mediterranean Investment Partnership (FEMIP)

repayments subsequent to cancellation or undisbursed commitments.

Duration: last commitment: 2014, with effective last payment 5/2/2016.

Operational Performance

Access to finance in the region is very limited and is one of the most serious impediments to development facing especially small and medium-sized enterprises in the region. EIB's capacity to supply capital targeted at reducing this problem is therefore a direct response to this development cooperation challenge.

During 2015–2020 the Active Portfolio funds invested a total of EUR 404 million in 51 new companies.

Since the Protocole 1 was brought to life in 1980, the EIB under FEMIP Risk Capital financed in total 877 instruments, of which 814 have been exited (16 funds, 11 direct investments, 12 microfinance institutions, and 775 co-financings). The last operation under FEMIP Risk Capital was approved in 2014. As older mandate operations are being closed, the weight of the more recent mandates in the portfolio increases (cf. Part II section 1). The unrealized value of the Active Portfolio, as defined hereafter, consists only of operations under the MEDA and ENPI mandates

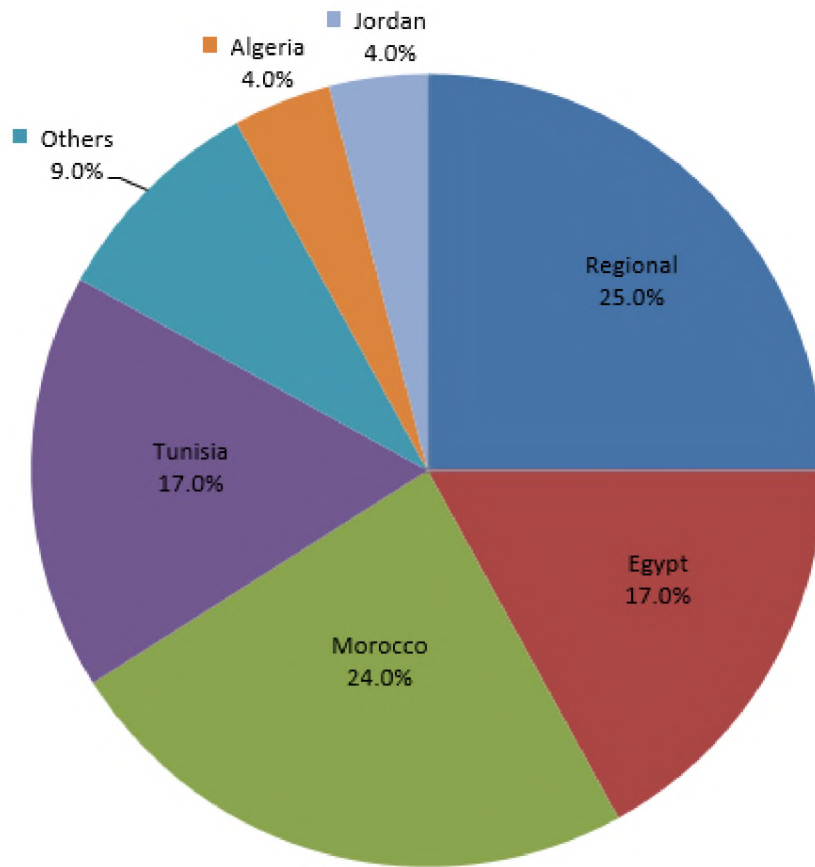
Between 2007 and 2013 FEMIP was supported from the ENPI instrument. At the end December 2020, the FEMIP Risk Capital portfolio under management i.e. of investments which have not been exited (the “Active Portfolio”) stood at EUR 303.4 million² (2019: EUR 313 million) and consisted of 28 private equity funds, 5 direct investments, 5 microfinance operations and 25 co-financings with local intermediaries.

EIB reports that, since 1980, the various EU contributions to the private equity funds accounted for under FEMIP have reached 271 companies. Investments in microfinance reached over 680.000 micro borrowers, i.e. end beneficiaries, of which more than 60% were women. Overall, the FEMIP programme has supported investments amounting to EUR 5.2 billion, of which almost EUR 3,95 billion under the ENPI envelope. Under the ENPI envelope, the EU has also contributed 33 million of TA funding, stated under “other charges”.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	129.676.819	224.000.000
Leverage	4,5	N/A
Multiplier effect	40	N/A
Envisaged operations	28	N/A
Financing provided by financial intermediaries to final recipients	587.050.000	N/A
Number of final recipients (entire Portfolio since 1980)	680.000	N/A
Investments made by final recipients due to the received financing	5.222.520.000	N/A

EUR 224 million have been reduced to current EURO 129,7 million, due to repayments subsequent to cancellation or undisbursed commitments.

Geographical diversification



Main issues for the implementation

COVID-19 impact and outlook

The coronavirus pandemic has led to a deep recession in all FEMIP region economies but Egypt. The economies of the region have shrunk by 7.7% on average in 2020. COVID-19 affects FEMIP economies through activity restrictions imposed in response to the pandemic as well as lower tourism revenues, remittances and manufacturing exports. Egypt has been able to avoid recession partly because of high baseline growth in 2019.11. In Lebanon, COVID-19 further aggravates the country's economic and sovereign debt crisis. In March, the country defaulted for the first time on its sovereign debt. The IMF expects Lebanon's GDP to decline 25% in 2020, and

due to the highly uncertain situation, has refrained from publishing a 2021 forecast

These economies are expected to partially recover in 2021, with GDP expected to grow by 3.5%.

The coronavirus pandemic further aggravates macro-economic imbalances. Policy makers in the FEMIP region sought to cushion the economic consequences of COVID-19 with both fiscal and monetary policy. However, with public debt high already before the pandemic, policy makers have rather limited options to support firms and households. Nevertheless, the average fiscal deficit in the area has increased to 10% of GDP in 2020. Though Lebanon is spending less on debt

5.3 Facility for Euro-Mediterranean Investment Partnership (FEMIP)

service due to the default, these savings are more than offset by the dramatic decline in economic activity.

As a result, debt to GDP ratios are set to increase further. In 2020, they exceeded 70% in Lebanon, Egypt, Jordan, Tunisia and Morocco, according to the latest available IMF data. At 172%, Lebanon has the highest debt-to-GDP ratio. Other FEMIP countries have turned to the IMF for an adjustment programme and the associated financing. Low debt-ratios in Palestine reflect the country's limited borrowing capacity.

The countries in the FEMIP region continue to record current account deficits. At 9.2% of GDP, the average current account deficit in the FEMIP region remains broadly unchanged relative to 2019. The current account deficit in Algeria, a net exporter of oil, reflects low oil prices. In Lebanon, lack of hard currency has led to the emergence of a multi-tier exchange rate regime. Declining incomes led to a sharp compression of imports, reducing the current account deficit. More generally, lower tourism revenues are offset by lower demand for imports also in the other countries

The coronavirus pandemic constitutes a test for institutions in the FEMIP region. In recent years, reforms to promote private sector development have been implemented. These include reductions in energy subsidies but also improvements in the financial infrastructure. These efforts are reflected in improvement of standard measures of the business environment such as the World Economic Forum's Global Competitiveness Index. The reforms help the economies cope with the COVID-19 shock.

On the other hand, governments have limited capacity to protect their citizens against the health and economic consequences of COVID-19. The rather young populations of the FEMIP countries make everything else equal, the public health consequence of the pandemic less severe. On the other hand, health care capacity is much lower than in advanced countries. Moreover, less developed safety nets leave individuals more exposed to the economic consequences of the lockdowns.

The immediate consequence for the Active Portfolio has been a reduction in the Proceeds amounts received by EIB in 2020 which were of EUR 4.94 million vs. EUR 7.54 million in 2019. Such reduction is attributable partly to (i) the delays or postponements of some exit processes of the fund's underlying investee companies, due to the buyers' inability to perform onsite due diligence and more importantly (ii) to the uncertainty of the evolution of the pandemic, which created a large bid-ask spread between the buyers and the sellers' expectations.

Overall, a delay in the exit horizon of investees by 12-18 months compared to expectations a year ago is deemed realistic. Besides, the residual value of the Active Portfolio has also been negatively impacted, reflecting the prevailing market conditions (including lower oil price, lower demand) with various discrepancies observed depending on sectors and countries.

Out of the EUR 508.7 million disbursed in risk capital between 1980 and 2020, it is estimated - based on the underlying assumptions of the fund managers - that nearly the entire disbursed amount can be expected to be returned. This shows that the instruments to support private sector development and job creation in the FEMIP region are not necessarily limited to non-reimbursable grants or standard credit lines, but may be effectively provided via sustainable financial instruments which facilitate a multiplication of the amounts deployed to final beneficiaries.

Access to Finance

Financial sectors in the region are dominated by banks pursuing traditional business models. Because of their size, the region's banking sectors have a significant financial intermediation potential. However, SME lending by banks is undermined in some countries by banks' substantial investment of deposits in government debt. Recent IMF data show that SME lending accounts for only 7% of total bank lending in the FEMIP region. Moreover, non-bank financial institutions are still at an early stage of development, which limits the variety of financial instruments available to enterprises. Non-bank financial institutions are particularly important for young SMEs, when they require equity, well-tailored financial products and are characterized by a short credit history.

Access to finance remains an important issue for companies in the region. According to the Enterprise Survey, 57% of firms needing a loan in the average FEMIP country are credit-constrained, ranging from 44% in Palestine to 80% in Egypt. The vast majority of credit-constrained firms are discouraged, whereas rejected loan applications are rare. In Morocco, Tunisia, and Lebanon the share of credit-constrained firms has increased relative to the last survey round.

5.3 Facility for Euro-Mediterranean Investment Partnership (FEMIP)

Financial Information

		(in euros)	
	Notes	2020	2007-2020
Overall budget	1		
Financial envelope available			224.000
EU Contribution	2		
Commitments			224.000.000
Payments			224.000.000
Reflows	3		
Revenues		193	15.923.374
<i>interest income</i>		193	7.669.265
<i>risk remuneration, dividends, fees</i>		0	1.232.671
<i>realised gains</i>		0	269
<i>other revenues</i>		0	7.021.169
Repayments		19.412.487	94.323.181
Payable to the Commission		0	0
Returned to the general budget		0	74.910.334
Returned to be reused		0	0
Losses from operations	4		
Losses from loans		1.086.055	1.086.055
Equity			
<i>impairments</i>		5.025.629	20.395.600
<i>realised losses</i>		2.017	322.002
Costs	5		
Management fees (EIB)		996.567	11.951.057
Other operational and financial charges		1.082.572	40.472.824
<i>negative interest</i>		0	0
<i>foreign exchange losses</i>		1.075.943	7.352.337
<i>other charges</i>		6.629	33.120.487
		2020	2018
Risk exposure	6		
Financial risk exposure		73.580.887	100.757.167
Assets: provisioned for risk and liabilities		13.099.867	34.158.603
Value of equity investments		62.596.910	84.695.018
<i>investment at cost</i>		72.427.953	74.248.830
Provisions for risk and liabilities		0	0
Fiduciary Account	7		
Balance		13.099.867	34.158.603
<i>in euro</i>		8.212.604	28.351.982
<i>in non-euro currencies (in €)</i>		4.887.263	5.806.621

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

6.1 Neighbourhood Investment Program (NIP)

Description

The NIP is a blending facility that came into operation in 2008 and is composed of operations that could take the forms of technical assistance, investment grant, equity or guarantee. Since 2017 the NIP is part of the EU's External Investment Plan, which also features the new EFSD guarantee window.

The NIP focusses on different forms of assistance, the operations reported in the section entitled “key figures” are a limited sub-set of financial instruments in the form of equity or bank guarantees, which require opening a fiduciary account on behalf of the European Commission by a partner institution.

Among other projects, the NIP also supported two funds that will be shortly described as complementary examples.

- **GGF:** The Green for Growth Fund (GGF) is an investment fund that mitigates climate change and promotes sustainable economic growth, primarily by investing in measures that reduce energy consumption, resource use and CO2 emissions. The fund does so by channelling financing to businesses and households through domestic financial institutions as well as by directly financing eligible projects. The GGF operates in 19 markets across Southeast Europe, including Turkey, the European Eastern Neighbourhood Region, and the Middle East and North Africa.
- **EFSE:** The European Fund for Southeast Europe (EFSE) is a form of public-private-partnership and is managed by the European Investment Fund (EIF). Its objective is to attract capital from the private sector thereby leveraging public donor funds that will assist the development of the private sector in the region. EFSE extends loans to local commercial banks and micro-finance institutions in the Western Balkans and the Neighbourhood East region for on-lending to micro and small enterprises and households. EFSE:
 - 1. Supports micro and small enterprises as the backbone of local economies, thereby contributing to income generation and employment creation
 - 2. Addresses the basic need for decent shelter
 - 3. Strengthens local financial markets.

Identification/Reference to the basic act - NIP

Regulation (EC) 1638/2006, Regulation (EU) 232/2014 and Regulation (EU) 236/2014

Budget lines

22.040102; 22.040104; 22.040202; 22.040303; 14.029901

	2020	2021	2022
Budgetary commitment appropriations	157.278.490	0	0
Budgetary payment appropriations	128.193.000	0	0

Operational Performance

NIP

The NIP overall has demonstrated to be a successful aid modality throughout the twelve years of its existence. It has fully delivered on its objectives by supporting the development of a favourable environment for investments to be

made in its priority sectors and countries. It has strengthened the effect of EU funding compared to previous years, which would be difficult to achieve without the NIP.

In addition to the financial leverage, the NIP has also given projects considerable qualitative

leverage. These benefits are both socio-economic and environmental and thus not always easily measurable in financial terms.

Between 2008 and 2020, for the entire NIP programme (*including its non-financial instrument part*), **a total of 203 projects** have received support through NIP financing, worth about EUR 3,2 billion (mainly from the EU budget as well as EUR 60 million from NIP Trust Fund), which have been blended with more than EUR 29 billion of funding by European Financial Institutions to projects approved during this period.

The “Women in Business” project, which is among the projects funded by the NIP, is worth highlighting as an example:

In 2015, the EBRD, with grant funding support from Sweden, established the Women in Business (“WiB”) Programme in the 6 Eastern Partnership countries. In 2015, the EU joined the Programme with a contribution from the NIP through the Delegation Agreement ENI/2015/371-312 signed on 29 December 2015. The Women in Business Phase I Programme was the first of its kind in the Eastern Partnership countries, seeking to develop the untapped economic sub-segment of women-led small and medium-sized enterprises by mobilising a unique offer in the market: dedicated financing (i), backed by technical advice to local financial institutions (banks) (ii), as well as direct engagement with women entrepreneurs through access to training, advisory services, mentoring and networking (iii).

The Programme seeks to demonstrate that, when market failures are addressed, obstacles are removed and women-led SMEs are given equal opportunities, they can deliver in terms of economic performance and growth, job creation, and a number of other social gains, contributing fully to building a free, market oriented, democratic society.

Key results:

1. Credit lines for women-led SMEs and First Loss Risk Cover

One window of the programme is composed of a credit lines for women-led SMEs supported by a guarantee from the EU in a form of a First Loss Risk Cover.

As of the end of 2020:

- EUR 65 million (circa 58% of financing facility ceiling) has been made available from EBRD (original target: EUR 43.4 million)
- 12 local banks (or Partner Financial Institutions (“PFIs”)) full list per country at the end of the mail 5 in Armenia, 3 in Belarus, 2 in Georgia, 1 in Moldova and 1 in Ukraine.
- 5,290 sub-loans to women-led SMEs (original target of 3,000) across Armenia, Belarus, Moldova, Georgia and Ukraine
- Total value of sub-loans of over EUR 81.7 million (EBRD financing plus additional funds provided by the PFIs themselves).
- In 2020, 9 Women in Business workshops were implemented across the Eastern Partnership countries. A total of 246 women entrepreneurs were successfully trained. Each workshop was delivered in the local language of the country and all workshop contents were localised according to the context and legal requirements of each country. All workshops were delivered interactively online due to COVID-19 outbreak.

The financial instruments supported by the NIP in 2020 carry a maximum financial risk exposure of EUR 315 million. The projects complemented by funding from European Financial Institutions are expected to contribute to a total project volume of about EUR 3,6 billion.

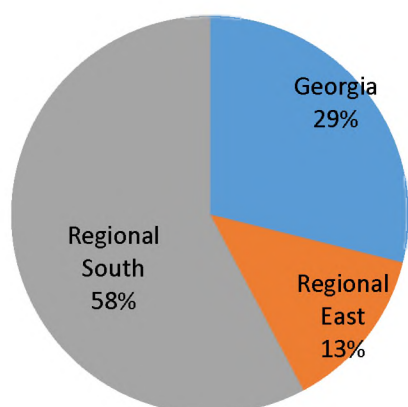
<i>Key figures - NIP</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed for financial instruments under the NIP since inception	540.320.000	N/A
Leverage	3,75	N/A
Multiplier effect	6,77	N/A
Envisaged operations	N/A	N/A
Financing provided by financial intermediaries to final recipients	2.026.000.000	N/A
Number of final recipients	N/A	N/A
Investments made by final recipients due to the received financing	3.659.000.000	N/A

Geographical diversification

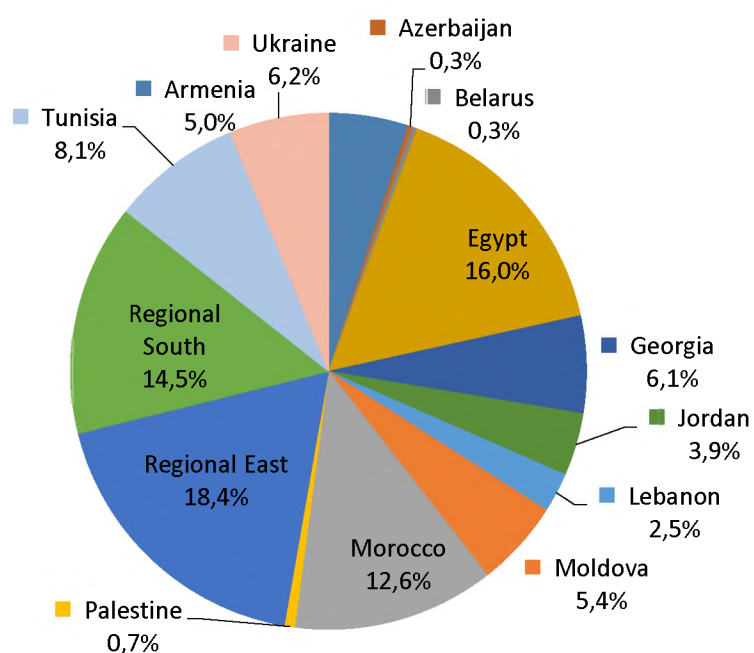
Reflecting the differences in population, about 1/3 of NIP funds is allocated in the Eastern Neighbourhood and 2/3 in the Southern Neighbourhood. However, half of the volume of NIP financial instruments is allocated to the

Eastern Neighbourhood, while the other half of the financial instruments is spent in the Southern Neighbourhood. This means that projects including financial instruments are more commonly used in the Eastern Neighbourhood, both in absolute and in relative terms.

Geographical diversification – NIP 2020



Geographical diversification – NIP 2008 - 2020



Main issues for the implementation

For the NIP in general, efforts to improve co-ordination with the EU Delegations, are currently made. Finance Institutions should ensure, for each project, their liaison with EU Delegations during early stage definition of the projects; this will allow room for the creation of synergies and efficiency. Delegations and Headquarters will undertake further efforts to send concurring messages to IFIs, both on strategic priorities and specific projects.

With regard to reporting, monitoring and evaluation, a blending-specific results-oriented

monitoring (ROM) is in place and is entering its third annual cycle. Following an internal audit, internal reporting procedures are being strengthened.

The use of financial instruments will further develop under the EU's new EFSD+ regulation. Complementarity between financial instruments under existing blending platforms and under the new EFSE-guarantee function remains a key objective.

Financial Information

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

NA

6.1 Neighbourhood Investment Program (NIP)

(in euros)

Instrument	Note	Risk Capital Facility for the Southern Neighbourhood countries	SEMED MSME Financial Inclusion Programme	Women in Business	Eastern Partnership SME Finance Facility (Phase II)	EU Deep and Comprehensive Free Trade Area (DCFTA) Facility	EU Deep and Comprehensive Free Trade Area (DCFTA) Facility	Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD)	Participation in Green Growth Fund - Extension to NIF East Region	Participation in European Neighbourhood Fund window of the European Fund for South East Europe (EFSE)	Armenia SME Finance and Advice Facility	NIF EU Trade and Comp. Prog in Morocco, Tunisia, Egypt and Jordan	Trade and Competitiveness Egypt and Jordan	Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD) II	SANAD MENA Fund for Micro, Small and Medium Enterprises III	Green for Growth Fund (GGF) - COVID 19-RESPONSE in the Southern Neighbourhood (NIP GGF C-shares Southern Neighbourhood	Total	
Type of instrument (equity/guarantees/ fund/other)		Equity/+2,5mTA	GF/+2 mTA	GF/+0,5 mTA	7 (optional IRS)+1 mTA by Kf	GF/+1 mTA	Equity/GF/+ 2,5mTA	Equity / +10m TA	Equity/+5 mTA	Equity	GF/Equity/+4 mTA	GF / + 8M TA	Equity + TA	O I, II, III and III O I, II, III and III	O I, II, III and III	Equity		
Year of inception		2015	2016	2015	2015/2016	2016	2016	2011	2013	2015	2015	2019	2018	0	0	2020		
Managing party		EIB	EBRD	EBRD	EBRD/KfW	(Eastern Neighbourh	Eastern Neighbourh	KfW	(EIB)/KfW	KfW	EBRD	EIB	EBRD	0	0	KfW		
Commitments	1	2020	0	0	0	0	0	29807490	43250000	39921000	0	700000	0	0	0	43600000	157.278.490	
		Aggregated since inception	50.900.000	27.640.000	5.035.000	10.400.000	19.430.000	62.746.000	83.937.490	68.070.000	95.341.000	15.380.000	51.900.000	5.940.000	-	-	43.600.000	540.319.490
Payments	2	2020	4540000	0	0	92000	0	1350000	0	42750000	34061000	0	2250000	0	0	43150000	128.193.000	
		Aggregated since inception	29.740.000	27.640.000	4.500.000	5.492.000	19.430.000	58.446.000	52.411.619	66.410.000	88.321.000	11.220.000	2.650.000	4.240.000	-	-	43.150.000	413.650.619
Maximum financial risk exposure	3	2020	19.750.000	14.198.486	2.828.134	4.561.195	3.644.400	51.816.742	36.545.158	52.234.706	84.251.090	8.714.729	-	2.112.538	-	-	34.033.976	314.691.154
		2019	39.660.158	12.204.145	3.569.069	5.465.947	8.482.174	52.462.835	43.213.281	14.371.072	53.664.633	10.688.000	-	1.471.964	-	-	-	245.253.278
Guarantees given	4	2020	0	2625000	0	0	0	0	0	0	0	0	0	0	0	0	0	2.625.000
		Aggregated since inception	0	16444308	4.020.915	7.516.297	0	49750000	0	0	0	0	0	0	0	0	0	0
Guarantees called	5	2020	0	0	10468	1.134.674	0	467126	0	0	0	0	0	0	0	0	0	477.594
		Aggregated since inception	0	0	56.935	3.827.833	0	637867	0	0	0	0	0	0	0	0	0	0
Amounts recovered from guarantees called	6	2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Aggregated since inception	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Value of equity	7	2020	17.490.113	-	-	-	-	2.704.609	36.545.158	52.234.706	50.551.090	90.340	-	2.112.538	-	-	34.033.976	195.762.530
		2019	15.410.158	-	-	-	-	2.883.576	43.213.271	14.371.072	53.664.633	-	-	1.471.964	-	-	-	131.014.674
Impairments and realised losses on equity	8	2020	10.251	-	-	-	-	10.369	9.311.923	2.638.038	92.417	1.176.470	-	-	-	-	-	13.239.468
		Aggregated since inception	212.919	-	-	-	-	25.047	12.366.006	5.508.278	465.267	-	-	-	-	-	-	18.577.517
Reflows: returned to the EU budget	9	2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Aggregated since inception	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reflows: returned to be reused	10	2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Aggregated since inception	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Implementing costs	11	2020	661.332	126.010	381.093	73.545	4.956.793	656.099	109.022	783.535	127.081	823.739	44.000	139.017	-	-	64.025	8.945.291
		Aggregated since inception	1.161.332	2.036.743	581.093	625.713	15.012.793	1.888.825	1.475.472	1.993.281	212.691	1.101.265	44.000	155.446	-	-	64.025	26.352.679

6.1 Neighbourhood Investment Program (NIP)

in euros

Managing party	Note		EIB	EBRD	KfW	Total	
Overall envelope entrusted	12		0	0	0	0	
Budgetary commitments	13	2020	700000	42887490	113691000	157278490	
		Aggregated	165.546.000	175.642.490	199.131.000	540.319.490	
Budgetary payments	14	2020	8.140.000	12.991.000	107.062.000	128.193.000	
		Aggregated	90.836.000	135.132.619	187.682.000	413.650.619	
Amounts committed by the managing party	15	Grants (including TA)	2020	-	-	-	-
			Aggregated	-	-	-	-
		Financial instruments	2020	-	-	-	-
			Aggregated	92.293.734	28.478.152	113.981.950	234.753.835
		Own resources	2020	0	0	0	0
			Aggregated	0	0	0	0
Administrative expenditure	16	Management fees	2020	-	-	-	-
			Aggregated	1.732.726	11.628.580	2.928.890	16.290.196
		Other financial and operating charges	2020	0	0	0	0
			Aggregated	0	0	0	0
		Total	2020	-	-	-	-
			Aggregated	1.732.726	11.628.580	2.928.890	16.290.196

6.2 Investment Facility for Central Asia (IFCA) & Asian Investment Facility (AIF)

Description

Identification/Reference to the basic act

Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation, (OJ L 378, 27.12.2006, p. 41).

Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, (OJ L 77, 15.04.2014, p. 44)

Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action, (OJ L 77, 15.04.2014, p. 95).

Budget lines

14.029902

	2020	2021	2022
Budgetary commitment appropriations	90.390.400	211.229.600	0
Budgetary payment appropriations	57.078.685	76.100.000	0

Initial financial envelope:	EUR 50 000 000
Current financial envelope:	EUR 730 525 268
Overall financial envelope:	EUR 780 525 268

AIF Contribution:	EUR 323.081.919	
IFCA Contribution:	EUR 213.565.563	
Total:	EUR 536.647.482	
	X 11,77	
LEAD FINANCIAL INSTITUTIONS FINANCING:	EUR 6.317.950.000	
	X 27,03	
TOTAL INVESTMENT SUPPORTED:	EUR 14.507.346.000	
Private sector financing:	EUR 381.300.000	
other financiers (Gov, IFIs, etc.):	EUR 7.271.448.518	

Implementation cycle:

The main purpose of these facilities is to promote additional investments with a focus on climate change relevant and "green" investments in the areas of energy, environment, and transport. In addition, the facilities may help to improve access to finance for SMEs and to promote social sector investments.

Individual projects financed under IFCA and AIF are implemented through indirect management mode. This means that the Commission delegates budget implementation tasks to eligible Financial Institutions which have successfully undergone an ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012.

Budget implementation tasks consist of the launch of public procurement and grant award procedures and of concluding and managing the resulting contracts as well as execution of payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

Operational Performance

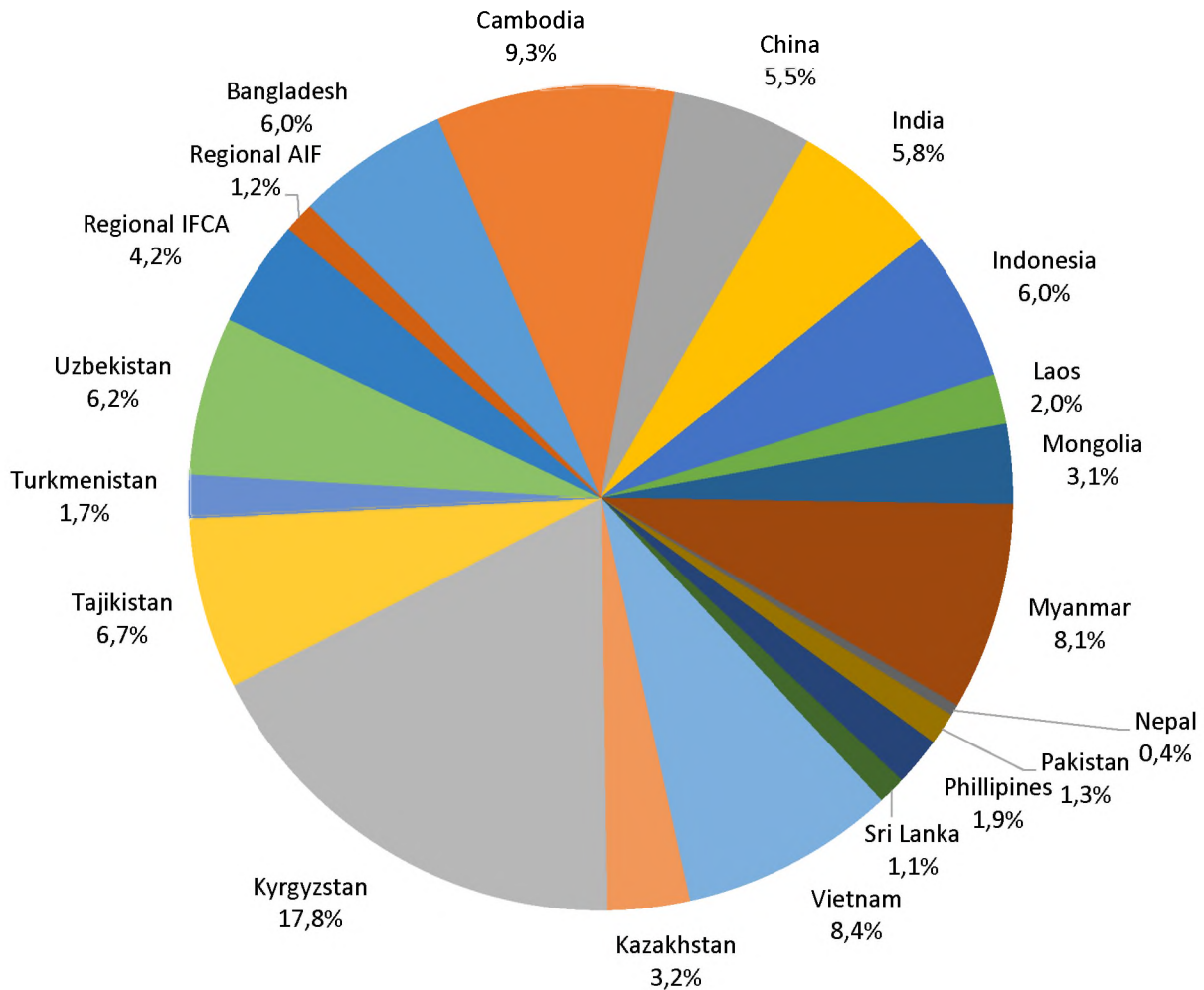
Central Asia : Central Asia is benefitting from the Investment Facility for Central Asia (IFCA). Since its creation in 2010, nearly EUR 239 million have been allocated to this investment facility by the end of 2020, out of which EUR 157 million under the 2014 – 2020 DCI. This amount has been fully absorbed in support of 37 investment projects which are expected to catalyse investments worth EUR 2,4 billion (a leverage ratio of 10,1). The main IFCA partner has been EBRD, for which, during the 2014-2020 period, we supported 14 projects totalling EUR 118 million, followed by AFD, EIB and KfW. However, the Commission is reaching out to other partners, including private sector arms of European development financial institutions such as, for example, the French PROPARCO.

As far as the regional investment facility for South and South East Asia is concerned, i.e., the **Asian Investment Facility (AIF)**, has benefitted under the 2014-2020 period from DCI allocations of EUR 460 million by the end of 2020. Since 2014, the AIF board has approved 48 projects for total contributions of EUR 459 million. AIF has the highest average leverage factor (30,4x). AFD is the first recipient of AIF, followed by KfW and ADB, then EBRD, EIB and FMO (in terms of volume of funds managed). Main sectors of support were environment and climate change, urban development, energy and agriculture. The Commission is trying to further diversify its blending cooperation and promote the Team European approach taking into account the needs for a green recovery following the COVID-19 pandemic.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries	536.647.482	480.000.000
Leverage	11,77	8,5
Multiplier effect	27,03	4 to 5
Envisaged operations	0	N/A
Financing provided by financial intermediaries to final recipients	6.317.950.000	N/A
Number of final recipients	94	N/A
Investments made by final recipients due to the received financing	14.507.346.000	2.160.000.000

Geographical diversification

EU contribution committed (EUR 536,6 million)
is distributed by country as follows:



Financial Information

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

(in euros)

Instrument	Note	MIFA Debt Fund "Microfinance Initiative for Asia"	SMED – Support for Mongolian economic diversification	SME finance facility for central asia	Total
Type of instrument (equity/guarantees/ fund/other)		equity	guarantee	guarantee	
Year of inception		2012	2016	2018	
Managing party		KFW	EBRD	EBRD	
Commitments	1	2020	0	0	0
		Aggregated since inception	9.220.000	4.200.000	7.850.000
Payments	2	2020	0	0	3.500.000
		Aggregated since inception	9.220.000	2.700.000	7.790.000
Maximum financial risk exposure	3	2020	8.760.648	523.742	948.424
		2019	9.287.283	441.224	1.902.606
Guarantees given	4	2020	N/A	-	-
		Aggregated since inception	N/A	829.197	1.902.606
Guarantees called	5	2020	N/A	0	0
		Aggregated since inception	N/A	0	0
Amounts recovered from guarantees called	6	2020	N/A	0	0
		Aggregated since inception	N/A	0	0
Value of equity	7	2020	8.760.648	0	0
		2019	9.287.283	0	0
Impairments and realised losses on equity	8	2020	0	0	0
		Aggregated since inception	0	0	0
Reflows: returned to the EU budget	9	2020	0	0	0
		Aggregated since inception	2.000.000	0	0
Reflows: returned to be reused	10	2020	0	0	0
		Aggregated since inception	0	0	0
Implementing costs	11	2020	0	4.162	36.907
		Aggregated since inception	220.000	207.446	80.461

6.2 Investment Facility for Central Asia (IFCA) & Asian Investment Facility (AIF)

in euros

Managing party	Note		AFD	EBRD	EIB	KFW	Total	
Overall envelope entrusted	12		0	0	0	0	0	
Budgetary commitments	13	2020	52.124.400	15.600.000	13.250.000	9.416.000	90.390.400	
		Aggregated	223.940.447	185.794.363	45.567.071	81.345.600	536.647.482	
Budgetary payments	14	2020	20.251.761	17.956.924	15.072.000	3.798.000	57.078.685	
		Aggregated	76.473.576	126.924.811	25.661.721	26.696.128	255.756.235	
Amounts committed by the managing party	15	Grants (including TA)	2020	0	0	0	0	0
		Aggregated	-	-	-	-	-	
		Financial instruments	2020	0	0	0	0	0
			Aggregated	0	-	0	-	-
		Own resources	2020	0	0	0	0	0
			Aggregated	-	-	-	-	-
Administrative expenditure	16	Management fees	2020	0	0	0	0	0
		Aggregated	6.400.000	6.460.000	900.000	1.690.000	15.450.000	
		Other financial and operating charges	2020	0	0	0	0	0
			Aggregated	0	0	0	0	0
		Total	2020	0	0	0	0	0
			Aggregated	6.400.000	6.460.000	900.000	1.690.000	15.450.000

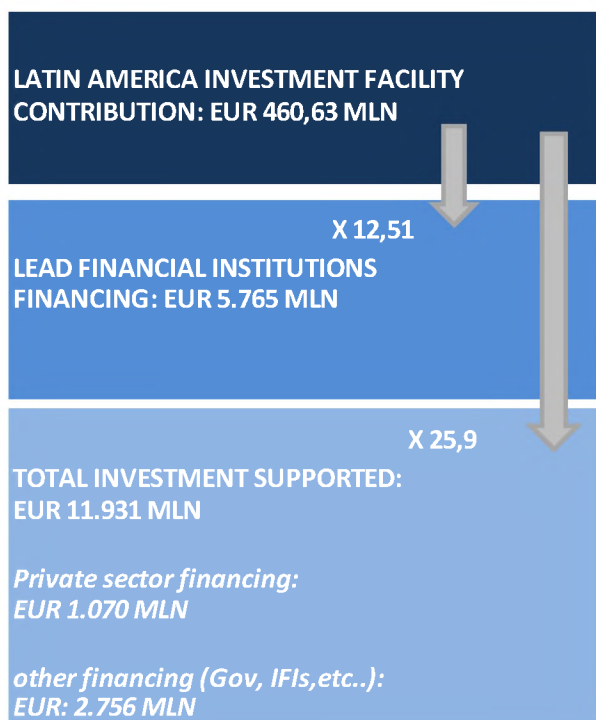
6.3 Latin America Investment Facility (LAIF)

Description

Identification/Reference to the basic act			
Regulation(EU)No 236/2014, REGULATION (EU) No 233/2014			
Budget lines			
14.029902			
	2020	2021	2022
Budgetary commitment appropriations	50.100.000	4.295.007	0
Budgetary payment appropriations	25.590.322	20.781.110	23.600.000

Initial financial envelope: EUR 180 400 000
Current financial envelope: EUR 319 252 280
Overall financial envelope: EUR 502 927 845

See notes

*Implementation cycle:*

The LAIF's main purpose is to promote climate change and environmental protection as well as support to jobs and growth. LAIF provides additional investments in infrastructures in the transport, energy, and environment sectors (including water and sanitation, as well as agriculture and rural development) in social sectors such as health and education, and in private sector development growth of SMEs.

The LAIF included in 2011 a climate change window to support the implementation of projects helping partner countries tackle climate change through mitigation and/or adaptation measures.

In the implementation of LAIF, the role of the EU Delegations in the decision-making process is strong, as is the ownership by beneficiary countries. The blending framework ensures a close coordination between the EU and the implementing Financial Institutions (both EU MS agencies and international/regional).

Notes:

Initial financial envelope = "amount reserved for the instrument under the initial LAIF decision (2009)" + contribution of Environment

Current financial envelope = committed amount until 31/12/2020 under the current MFF.

Overall envelope = initial amount plus any additional commitment made available at a later stage

Operational Performance

In 2009, the EU established the Latin America Investment Facility (LAIF) under the Development Cooperation Instrument (DCI), with a total EU contribution of EUR 180,4 million. From 2014 to the present date EUR 319 million have been allocated to LAIF from the EU general budget (EUR 30 million in 2014; EUR 42,34 million in 2015; EUR 53,87 million in 2016, EUR 53,86 million in 2017, EUR 46,13 million in 2018, EUR 40 in 2019 and 52 million in 2020). Out of the 57 projects endorsed by the LAIF Board, 50 were contracted, with a LAIF contribution of EUR 447 million including fees. These contributions are expected to leverage investments worth around EUR 12.014 million. 37,4% of the facility contribution to the projects was made in the form of investment grant, 49,9% as technical assistance, 9,5% in the form of risk-sharing instruments and guarantees and 3,2% as fees.

The added value of LAIF can occur at different levels e.g.:

- i. at the strategy and policy level, LAIF provides policy leverage, enhances the supply of public goods, increases EU visibility, assists in managing debt sustainability thresholds, and contributes to aid effectiveness;
- ii. at the financial level LAIF, provides financial leverage, helps mitigate risks and lower borrowing costs and provides flexibility to tailor assistance to financing needs;
- iii. at the operational level, LAIF stimulates financial discipline, efficient administration and monitoring, enables the acceleration of projects, improves project quality and increases donor coordination.

Water Supply and Sanitation (29,5%), Sustainable Energy (25,6%) and Sustainable Agriculture (4,8%) are the main sectors of the LAIF's portfolio.

The expected results of the LAIF is increased investment in key sectors of the economy contributing inter alia to:

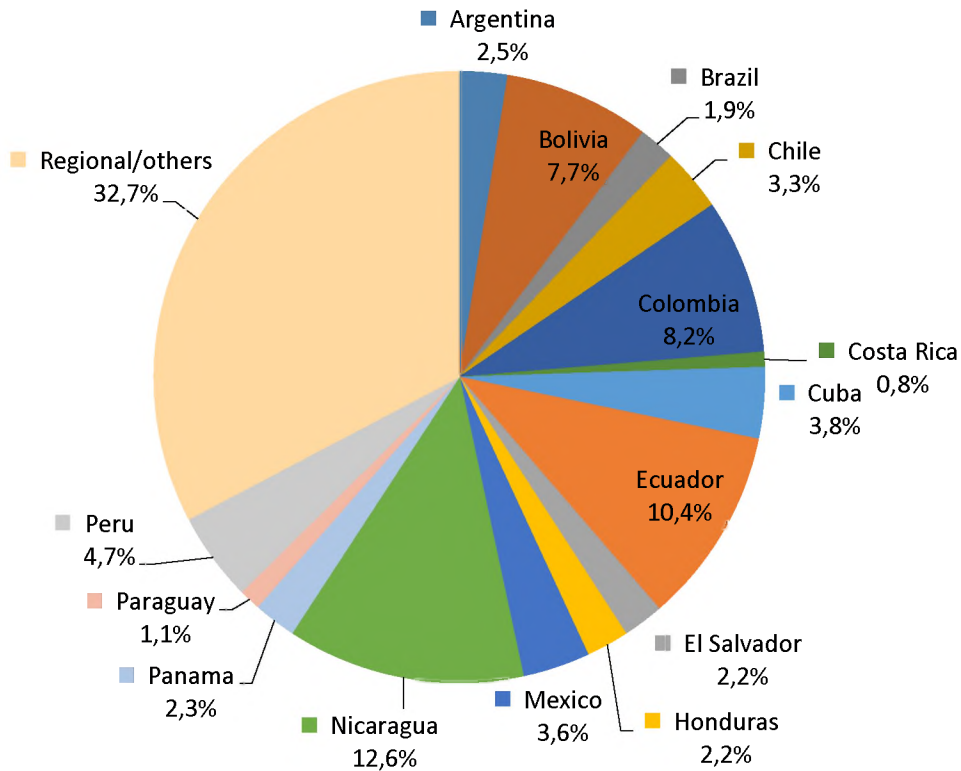
- 1) better transport infrastructure,
- 2) sustainable energy infrastructure,
- 3) increased protection of the environment,
- 4) improved social services and infrastructures,
- 5) creation and growth of SMEs and improvement of the employment situations.

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed to financial intermediaries (1) (2)	460.632.838	529.700.000
Leverage (3)	12,51	4 to 5
Multiplier effect	25,90	0
Envisaged operations	58	63
Financing provided by financial intermediaries to final recipients	5.765.250.070	n.a.
Number of final recipients	54	n.a.
Investments made by final recipients due to the received financing	11.930.649.151	0

Notes:

- (1) Actual figure: cumulated as at 31/12/2020 commitments.
- (2) Target figure: overall total budget commitments over the entire period.
- (3) Target figure: The LAIF decision reports: "The "leverage" effect of the LAIF should generate a multiplying factor of 4 to 5 times the amount of financial non-refundable contributions provided"

Geographical diversification



The final recipients are the people of Latin American countries foreseen in the DCI Regulation (EC) No 1905/2006 and those foreseen in Regulation (EU) 233/2014.

Special attention will be paid to a balanced involvement of the different sub-regions and countries in LAIF, while ensuring support for quality operation proposals and keeping in mind the absorption capacity of individual countries and regions.

Other final recipients are the private sector and, in particular, SMEs for categories of operations dedicated to private sector development.

Main issues for the implementation

- attention must be paid to aspects such as regional interconnectivity, as well as to the strengthening and capitalising on policy dialogue. The potential of regional projects in interconnection projects remains untapped.
- Blending is a major mechanism of implementation clearly linked to the overall EU objectives and policy priorities in the region. The fact that more and more countries in Latin America have reached the graduated status or are on the way to graduation only stresses this fact. Blending is becoming more and more the right tool to promote investment and engage in policy dialogue joining forces with other donors and achieving larger impact.
- Delegations are involved early on in the design and preparation of blending operations, the alignment with the country level priorities and channels is fostered. A stable political and security climate at the regional level in general and at the country level in particular is needed to promote and secure investments. Partner countries should increase the level of investments through their own resources as well as through loans. The pipeline of operations must target the specific policy priorities and sectors set for the

region/partner country, be of sufficient quality and volume, and provide the required EU additionality.

- A greater use of financial instruments such as equity and other risk-sharing instruments is one way to use the catalytic effect of blending in crowding in more private financing. LAIF supported its first Financial Instrument Delegation Agreement Eco-business Fund signed in 2017 and in 2019 Green MSMEs and in 2020 the Latin America Green Bonds Fund were signed.
- By financing technical assistance, innovative instruments (such as risk sharing), and providing complementary grants, LAIF will encourage the recipient governments and institutions to make essential investments, which would otherwise be postponed due to lack of resources.
- LAIF also aims to provide better access to finance for Small and Medium Enterprises.
- Reporting on individual projects is very heterogeneous in quality and quantity; continued effort is being undertaken by the EU both in HQ and in the EU Delegations to ensure follow-up of the projects and proper flow of information.

Financial Information

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

6.3 Latin America Investment Facility (LAIF)

(in euros)

Instrument	Note		Eco- Business fund I	Green Bonds Fund	Green MSMEs	Total
Type of instrument (equity/guarantees/ fund/other)			Fund	Fund	guarantees	
Year of inception			2017		2019	
Managing party			KfW	KfW	KfW	
Commitments	1	2020	0	14050000	2.500.000	16.550.000
		Aggregated since inception	13.260.000	14050000	12.000.000	39.310.000
Payments	2	2020	0	0	200000	200000
		Aggregated since inception	13.032.757	0	200000	13.232.757
Maximum financial risk exposure	3	2020	10.919.915	0	0	10.919.915
		2019	12.054.069	0	0	12.054.069
Guarantees given	4	2020	N.A.	N.A.	0	0
		Aggregated since inception	N.A.	0	0	0
Guarantees called	5	2020	N.A.	N.A.	0	0
		Aggregated since inception	N.A.	0	0	0
Amounts recovered from guarantees called	6	2020	N.A.	N.A.	0	0
		Aggregated since inception	N.A.	0	0	0
Value of equity	7	2020	10.919.915	0	N.A.	10.919.915
		2019	12.054.069	0	0	12.054.069
Impairments and realised losses on equity	8	2020	1.134.154	0	N.A.	1.134.154
		Aggregated since inception	1.852.842	0	0	1.852.842
Reflows: returned to the EU budget	9	2020	0	0	0	0
		Aggregated since inception	0	0	0	0
Reflows: returned to be reused	10	2020	0	0	0	0
		Aggregated since inception	0	0	0	0
Implementing costs	11	2020	16.684	0	13.333	30.017
		Aggregated since inception	40.139	0	14.444	54.583

(in euros)

Managing party	Note		AECID	AFD	EIB	KfW	SIMEST/ CDP	IDB	COFIDES	Total
Overall envelope entrusted	12		0	0	0	0	0	0	0	0
Budgetary commitments	13	2020	10.400.000	0	0	23.450.000	0	10.200.000	6.050.000	50.100.000
		Aggregated	119.718.773	98.009.000	63.842.000	161.722.000	0	10.200.000	6.050.000	459.541.773
Budgetary payments	14	2020	10.184.071	9.895.494	2.300.000	2.350.000	0	0	463.667	25.193.232
		Aggregated	88.275.246	57.416.494	41.212.000	91.932.450	0	0	463.667	279.299.857
Amounts committed by the managing party	15	Grants (including TA)	2020	0	0	0	0	0	0	0
		Aggregated	0	0	0	0	0	0	0	0
	Financial instruments	2020	0	0	0	0	0	0	0	0
		Aggregated	0	0	0	0	0	0	0	0
	Own resources	2020	0	0	0	0	0	0	0	0
		Aggregated	0	0	0	0	0	0	0	0
Management fees	2020	400.000	0	0	1.450.000	0	200.000	300.000	2.350.000	
	Aggregated	3.518.773	4.911.000	2.237.000	6.052.000	0	200.000	300.000	17.218.773	
Administrative expenditure	16	Other financial and operating charges	2020	0	0	0	0	0	0	0
		Aggregated	0	0	0	0	0	0	0	0
Total		2020	400.000	0	0	1.450.000	0	200.000	300.000	2.350.000
		Aggregated	3.518.773	4.911.000	2.237.000	6.052.000	0	200.000	300.000	17.218.773

Notes on financial information

13. Based on LAIF contracts signed before 31 December 2020

15.1 “Grants” and “Financial Instruments”: from DEVCO to the Management Parties.

15.2 “Own Resources”: Based on LAIF contracts signed before 31 December 2020

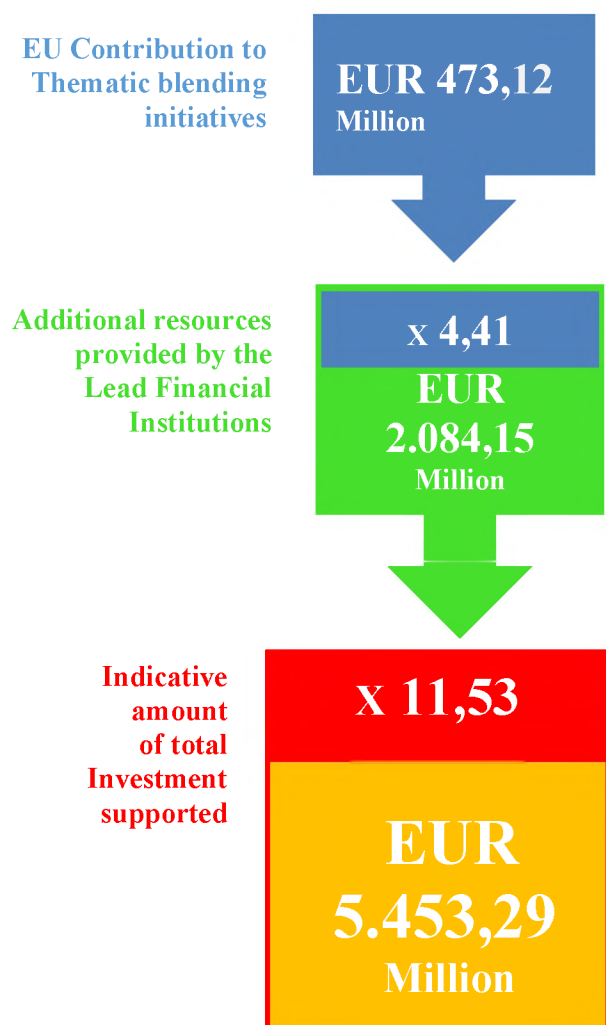
16.1 Bii Stipa II Wind Power Plant (SIMEST/CDP) was cancelled, with 3,3 million of Grants, and 11,6 million own resources

6.4 Thematic Blending (Energy, Food, Humanitarian, Environment)

Description

Identification/Reference to the basic act			
Regulation (EC) No 1905/2006, Regulation (EU) No 233/2014, Regulation (EU) No 236/2014			
Budget lines			
14.029902			
	2020	2021	2022
Budgetary commitment appropriations	98.355.200	117.155.201	N/A
Budgetary payment appropriations	50.139.360	36.620.273	N/A

Initial financial envelope: EUR 74.851.742
 Current financial envelope: EUR 473.126.146
 Overall financial envelope: EUR 589.681.347

*Implementation cycle:***ENERGY (total funds: EUR 444,9 million)****Electrifi Initiative: EUR 271,8 million**

1. "EDFI-Electrifi – FMO" (2015, including several top ups), EU contribution of EUR **125,9 million**; unlock, accelerate and de-risk sustainable energy investments in our partner countries, with a particular focus on rural, underserved areas in sub-Saharan Africa. Ongoing operations: 33 (with a target of providing 31,5 million people with electricity, 1,3 million tons of CO2 avoided per year and 1.889GWh added per year); target number of operations by the end of the facility: 57. The objective of Electrifi is to provide modern, affordable and sustainable energy services for populations living principally in rural and underserved areas as well as in areas affected by unreliable power supply, by de-risking and unlocking private sector investments. Since the start of operations in 2017, Electrifi has expanded rapidly and now includes 33 ongoing operations in Africa, Asia and the Caribbean, amounting to a total of EUR 62,8 million of investments, with a leverage factor of 4,84, leveraging a total amount of EUR 304,1 million in investments (including external investors). At the end of its life, it is envisaged that Electrifi Global Window will reach 57 operations.
2. "Africa Renewable Energy Scale Up Facility (ARESUF) – AFD and Proparco" (2016), EU contribution of **EUR 24,6 million** of which up to EUR 10 million as an unfunded guarantee facility to de-risk equity financing

of pioneer renewable energy businesses in Africa. To date, Proparco has invested EUR 10,75 million as part of funding rounds totalling EUR 48,55 million in 3 operations. The companies supported will help provide 250 MW of renewable energy benefiting 250.000 people, creating 1.200 jobs and saving 420 thousand tons of CO₂eq per year.

3. “Climate Investor One (CIO) – FMO” (2017), EU contribution of **EUR 30,7 million**: develop, construct and operate renewable energy projects in emerging markets. CIO uses blended finance to catalyse private sector capital into developing markets. Of the 14 ongoing projects in 10 countries, 6 have reached construction phase, with the support of the EU contribution amounting to EUR 21,11 million. An additional EUR 21,16 million is currently earmarked for 8 development-stage projects. Altogether, these operations would cost a total of EUR 623,8 million, and would help install 1.244 GW of renewable energy capacity, reaching 5,81 million people, creating 6000 jobs created and saving 1,68 million ton of CO₂eq each year.
4. “Transferability and Convertibility Facility – Proparco – T&C” (2017), EU contribution of **EUR 26,9 million**; guarantee instrument to cover transferability & convertibility risks for DFIs investing in Independent Power Producers (IPPs) in lower income countries particularly vulnerable for such risks. Due to delays related to contractual aspects, the operations have not commenced. During the course of 2021 and 2022, a total of five operations amounting to EUR 26,8 million are expected to be supported under the T&C scheme, with an indicative leverage effect of 14,38, leading to a total project financing (also including other investors) of EUR 385,2 million.
5. “Facility for Energy Inclusion (FEI) - African Development Bank (AfDB)” (2018), EU contribution of **EUR 40,2 million**; provides long-term debt through finance structures.

-FEI on-grid window: Small-scale renewable IPPs, mini-grids and captive power projects (capital expenditures of less than USD 30 million and a capacity of <25MW). Project finance structures can access senior and mezzanine loans between USD 2 and 20 million, in USD, EUR or local currency, and with a tenor up to 12-15 years. The life of the facility is 15 years, with a 7-year investment period. Target

number of covered operations 20-30 investments. Final Close of its equity in 2020 with a total equity based to approximately USD 145 million. The Commission provided an equity contribution of EUR 25 million.

-FEI off-grid window: Pay-as-you-go system companies (PAYGO) and other innovative energy access distribution companies through lending to corporates and SPVs. Short-tenor debt instruments of 2-5 years for working capital, consumer finance and securitization. Debt instruments ranges from USD 2 million to USD 10 million in USD or local currency with foreign exchange risk hedging. The proposed facility life is up to 10 years with scope for two one-year extensions. This window also includes a TAF of EUR 1,6 million financed by the Commission. Target number of covered operations: 15-20. Final equity close with USD 59 million in committed equity capital and USD 36 million debt facilities. The Commission provided an equity contribution of EUR 13 million.

6. “Digital Energy Facility (DEF) for the promotion of energy transition and energy access - AFD” (2019) with a EU contribution of **EUR 23,5 million**, to support the modernisation and digitalisation of the energy sector, encourage innovative business models and the long-term sustainability of energy systems. Thanks to the financing of digital innovation projects and products, the facility aims to support the integration of renewable energy sources into the grid, increase energy access and improve the performance of power utilities. DEF aims to reach up to 50 companies and public utilities, 100 MW of addition renewable energy capacity, 1 million people with improved access and 100.000 tCO₂eq avoided every year. The project started in 2020 and the financial instrument (contingent debt component) will be deployed in 2021.

Sustainable socio-economic development through clean and efficient energy solution initiatives: EUR 73,9 million

“Demand side management, social infrastructure renewables and energy efficiency (DESIREE) – EIB” (2020). The ambition of the EU Bank for this programme is to create an EU flagship programme and brand which can deliver meaningful impact and progress (higher

electrification rates, reduction of emissions, diversification of the energy mix, equal access to energy, efficient use of energy) in the sectors and regions, showcase innovative and scalable solutions and demonstrate actual impact on the ground. The programme is currently planned to cover actions in five low income and middle-income countries (indicatively Côte d'Ivoire, Ecuador, India, Kenya and Uganda). DESIREE would include funding for technical assistance and programme management, and a mix of investment grants and financial instruments (i.a. grants conditional on achieving results, equity participations and any other appropriate structure to incentivise alignment of interest and focus on result/impact). The total EU budget required for the 5 year programme is estimated at EUR 102 million (once the IG/FIs have been finalised and top-up approved) with a EIB contribution of EUR 200 million. An additional EUR 400 million of other sources of financing could be considered a reasonable estimate.

ENVIRONMENT (total funds: EUR 46,1 million):

Climate change initiative – support to developing countries for innovative climate finance: EUR 8 million

"Cities and Climate in Africa (CICLIA) Project in Sub-Saharan Africa". A delegation agreement has been signed with AFD in 2016 to cover technical assistance. It ends in December 2022. The CICLIA project supports selected Sub-Saharan cities in transforming local climate strategies into action plans, budgets, and urban investment projects with climate co-benefits on both mitigation and adaptation aspects. It will do so by supporting city climate planning when needed, preparing low-carbon and resilient urban infrastructure projects and providing technical assistance before project implementation to municipal staff.

The target leverage is 79,48%.

Water for prosperity, regional stability and resilient ecosystems initiative: EUR 19,7 million

"Climate Investor 2 (CI2) – (FMO)"

CI2 is part of Annex VII to the Commission Decision C(2019)8371. It is Climate Fund Manager's (CFM's) second facility. The government of the Netherlands, through the Dutch Fund for Climate and Development

(DFCD), has provided EUR 75 million in finance to anchor CI2. The facility sees a thematic progression to water, sanitation and oceans but keeps CIO's innovative blended financing structure. Having achieved proof of concept with CIO, CI2 opens the way for transformational impact in a sector dominated by public funding and frequently facing financing shortfalls. As a cradle-to-grave finance facility, CI2 seeks to mobilize blended finance provided by donors and the commercial sector with its additional recycling feature to maximize impact and reduce risk in markets where development is needed and climate change solutions can have a significant and sustainable effect. CI2's overarching focus is to attract private finance for low and lower-middle income countries, on the back of enabling public sector funding. CI2's encompassing whole-of-life financing solution provides an attractive alternative to the current market practice of structuring project finance for water supply, sanitation and oceans infrastructure projects. CI2's approach targets market failures through two key pillars; (1) speed of development, construction and implementation, and (2) innovation through market development where existing models do not include private finance. The financial instrument is implemented by FMO, has been signed in 2020, starts on 1/1/2021 and will end on 30/06/2041. There are no operations registered in 2020. The Contribution agreement foresees a target leverage of 33 and an indicative multiplier effect of 4.

Switch to green finance initiative: EUR 18,4 million

No project or contract approved in 2020

AGRICULTURE (total funds: EUR 89,6 million)

Agrifi initiative - Inclusive and sustainable value chains and food fortification": EUR 89,6 million

Under the AGRIFI initiative, three blended finance instruments were contracted. All three of these seek to increase private investment in agriculture through the promotion of sustainable value chains, so contributing to the sustainable growth of our partner countries. The three instruments focus on different segments of the market.

“African Agriculture Trade and Investment Fund”: A EUR **30,6 million** EU contribution to the first loss equity of the AATIF, via KfW. Its duration is 10 years. This addresses the €5-15 million investment bracket, through both direct and indirect investments, aimed at promoting smallholder livelihoods. The larger ticket size keeps transaction costs lower, and hence focusses on larger off-takers. The EU contribution (so far EUR 20,6 million disbursed) has allowed the AATIF to mobilize further private sector contributions around three times the EU contribution to date, with further contributions expected, as well as further first loss contributions by the German government. This is in excess of initial expectations – a leverage of around 2 additional euros for every EU euro. AATIF has continued its investments – after a difficult year, in light of the COVID restrictions. Nevertheless, the latest reports indicate that AATIF has disbursed investments in excess of EUR 90 million with the EU contribution.

“HURUMA Fund (EUR 19,3 million)” is an Impact Investment Fund set up with Cofides as finance institution, to address the traditional constraints of agriculture finance and the financing needs of smallholders and underserved farmers. The Fund invests both in Financial Institutions that have an agricultural portfolio and in Producer Organizations and Agriculture Value Chain SMEs that directly or indirectly work with excluded farmers. The total size of the Fund is of EUR 120 million and it is structured in two tranches. A first loss contribution to which the EU contributes with EUR 10 million through a contract with COFIDES, and a senior tranche, in which other investors contribute with up to EUR 90 million (EUR 21 million from COFIDES and FONPRODE and the rest from private investors). The financing mobilized from the private sector has been superior to what was initially expected, thereby increasing the leverage to 6,21 (instead of the initial 5,8). Huruma is now the biggest social Fund in Spain and the first of its kind. The Fund provides debt financing (minimum 70% of the total size of the Fund) and in some cases equity investment is also being considered (up to 30%). The ticket size ranges between EUR 1 and 10 million. It has a global geographical scope, but focuses in Latin America (Ecuador, Panama), Asia (Myanmar) and Africa (Eastern part of the continent). Up until the end of 2020, 2

investment projects in 2 MFIs have been approved by the Investment Committee in Ecuador, which will allow them to increase their agricultural portfolio and provide access to finance to more smallholders. 9 other investment proposals are in the approval process. Around 20 investments are expected to be made in total by the Fund. Along with the investment, the Fund will also support investees with Technical Assistance, focusing on different areas according to the specific partner institution. For the moment the EU is the only one contributing to the TA with EUR 8,6 million. A contract with the FAO is foreseen for this but has not been signed yet.

“EDFI AgriFI Facility”: was launched in 2018 with an initial budget of EUR 39 million and an initial duration of 12 years. Following an addendum in 2019, the facility was extended to 15 years and the budget increased to **EUR 39,7 million**. It is fully financed by the EU and managed by the EDFI Management Company (EDFIMC), which signed a sub-delegation agreement with the FMO in September 2018. Its geographical scope is global, but AgriFi invests only in low and lower-middle income countries, and has a specific focus on Sub-Saharan Africa. The aim is to provide long-term finance and/or working capital needs in the form of debt or equity of between EUR 0,5-5 million, on commercially-oriented terms, to MSMEs active in agri-food value chains and involving smallholder farmers. The added value of this initiative resides in the fact that, because it is fully financed by the EU: (1) the EU is a member of the Investment Committee (made up of representatives of the European DFIs) and has a veto right and; (2) AgriFI can take higher risks than other DFIs and private investors on their own, so it can serve as a de-risking tool or as a market developer, thereby leveraging further DFI/private investors’ support. Indeed, AGRIFI can invest in companies that need financing to grow but they are not big enough to obtain financing from local commercial bank or international investors; provide smaller tickets; provide longer term loans; etc. The “blending” occurs therefore at the level of the individual investment, but maybe not at the same time. Five investments have been made to date, representing EUR 16,3 million committed (EUR 9,2 million disbursed): two in two investment funds working with smallholders at a global scope; one in an agricultural MFI in Myanmar; one in a dairy cooperative in Senegal

and; another one in a private company in Nigeria offering a whole set of services to farmers. The financing mobilized until the end of 2020 totalized EUR 43,5 million, mainly from EDFIs, with a subsequent leverage effect of 3,7. It is expected that by the end of 2021, all the funds foreseen for the FI (EUR 29 million) will be committed, which will represent 11 to 12 investments in total, and that the project will reach a leverage effect of 6,8. TA (EUR 2 million available) can also be provided to the beneficiaries to accompany the investment. In the same way as for Huruma. A contract with the FAO is foreseen for this but has not been signed yet.

HUMANITARIAN (total funds: 9 million)

Women's Economic Empowerment Initiative (WEE): EUR 9 million⁷⁹

“Women's Financial Inclusion Facility (WFIF)”: the EU contribution of EUR 9 million consists of a first-loss risk capital contribution, jointly with other development capital providers, and technical assistance component. It shall be implemented with KfW as the Lead Financial Institution. KfW shall participate in the Women's Financial Inclusion Facility (“WFIF”), consisting of Women's World Banking Capital Partners II (“WWBCP II” or the “Fund II”) and the Women's World Banking Technical Assistance Programme (“TAP”), as a Limited Partner in the fund resp. as a donor in the technical assistance facility. The Women's Financial Inclusion Facility (“WFIF”) shall invest in emerging market financial service providers that incorporate low-income women into their client base, expand gender diversity within their management teams, and utilise new technology solutions to enhance customer engagement. The EU funding will be used for investments in Sub-Saharan Africa. The Technical Assistance Programme (“TAP”) shall be implemented as an independent action attached to WWBCP II and will be funded by a grant from the EU and other public sector investors.

⁷⁹ This amount does not include the additional EUR 1 million contribution to the Women's Economic empowerment Initiative from a EU Parliament budget line.

The primary purpose of the EU contribution is to crowd commercial investors into the fund by de-risking what might otherwise be unacceptable risks from two types of commercial investors:

- (1) investors new to either gender-lens investing or inclusive finance investing, who would see the first-loss contribution as both an endorsement and risk mitigation, and
- (2) investors who would potentially invest in the fund, but would restrict its ability to invest some portion of the Fund's capital in earlier-stage (e.g. “Series A” or “Series B”), innovative solutions providers and / or World Bank-defined low income countries, including fragile states.

The EU participation as the anchor investor has been instrumental in leveraging important additional public and private investments to the fund. The fund has created a rich global pipeline of portfolio with financial institutions with potential and appetite to better reach and serve women across the pipeline countries. The fund has started its first investments in 2020 following its first closing. EU EUR 9 million attracted additional funds, current size of the Fund is already USD 75 million (EUR 61 million).

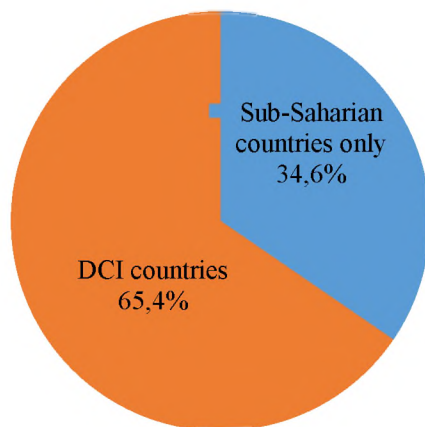
Abreviations

DFI's	Development financial institutions
FI's	Financial instruments
IG's	Investment grants
IPP's	Independant power producers
MFI's	Monetary financial institutions
SME's	Small and medium-sized enterprises
SPV's	Special purposes vehicules
TA	Technical assistance
TAF	Technical assistance facility

<i>Key figures</i>	<i>Actual</i>	<i>Target</i>
EU Contribution committed	473.126.146	589.681.347
Leverage	4.41	N/A
Multiplier effect	11.53	N/A
Envisaged operations	67	144
Financing provided by financial intermediaries to final recipients	2.084.150.000	0
Number of final recipients	N/A	N/A
Investments made by final recipients due to the received financing	5.453.290.000	0

Geographical diversification

The thematic initiatives have a global approach, not being attributed a priori to a specific country. Target countries are the ones eligible under the DCI financing instruments (EU contribution EUR 317,4 million). Some projects can finance only investments in Sub-Saharan Africa (CIO, AATIF, CICLA, ARESUF, FEI, WFFI and DEF, for a total of EUR 167,7 million).



Financial Information

		<i>(in euros)</i>	
Instrument	Note	Thematic blending	
Type of instrument (equity/guarantees/ fund/other)		Equity/ Guarantes/ Other	
Year of inception		2014	
Managing party		FMO /KFW /COFIDES /AFD /PROPARGO /AFDB	
Commitments	1	2020	98.355.200
		Aggregated since inception	473.126.146
Payments	2	2020	47.173.753
		Aggregated since inception	229.613.513
Maximum financial risk exposure	3	2020	87.514.129
		2019	74.349.504
Guarantees given	4	2020	4.000.000
		Aggregated since inception	5.272.415
Guarantees called	5	2020	0
		Aggregated since inception	0
Amounts recovered from guarantees called	6	2020	0
		Aggregated since inception	0
Value of equity	7	2020	56.528.809
		2019	37.509.770
Impairments and realised losses on equity	8	2020	5.838.256
		Aggregated since inception	6.632.469
Reflows: returned to the EU budget	9	2020	0
		Aggregated since inception	0
Reflows: returned to be reused	10	2020	0
		Aggregated since inception	0
Implementing costs	11	2020	5.609.446
		Aggregated since inception	6.567.733

The average duration between the budgetary commitment to the financial instruments and the legal commitments for individual projects in the form of equity or debt, where this duration exceeds three years

N/A

Notes on financial information

1. The figures include projects contracted by the end of 2020.

in euros

Managing party	Note		AFD	FMO	KfW	Proparco	African Developing Bank	Cofides	ETB	Total	
Overall envelope entrusted	12		-	-	-	-	-	-	-	-	
Budgetary commitments	13	2020	-	24.450.000	0	0	0	-	73.905.200	98.355.200	
		Aggregated	43.800.000	216.044.712	40.600.000	39.234.234	40.242.000	19.300.000	73.905.200	473.126.146	
Budgetary payments	14	2020	801.905	36.371.848	10.000.000	-	-	-	-	47.173.753	
		Aggregated	18.469.711	124.288.430	26.600.000	18.571.065	35.042.000	6.642.308	-	229.613.513	
Amounts committed by the managing party	15	Grants (including TA)	2020	-	0	0	0	0	-	-	
		Aggregated	-	-	-	-	-	-	-	-	
		Financial instruments	2020	-	0	0	0	0	-	-	
		Aggregated	-	-	-	-	-	-	-	-	
		Own resources	2020	-	0	0	0	0	0	0	
		Aggregated	-	-	-	-	-	-	0	0	
Administrative expenditure	16	Management fees	2020	-	0	0	0	0	-	-	
		Aggregated	1.848.605	2.787.692	800.000	701.965	392.000	882.308	1.758.200	9.170.770	
		Other financial and operating charges	2020	0	4.000	0	0	0	0	0	
		Aggregated	0	0	0	0	0	0	0	0	
		Total	2020	-	4.000	0	0	0	-	-	4.000
		Aggregated	1.848.605	2.787.692	800.000	701.965	392.000	882.308	1.758.200	9.170.770	

Notes on financial information

13. The figures include all the projects contracted by the end of 2020.

7 Glossary

AATIF	Africa Agriculture and Trade Investment Fund
ACP	African Caribbean and Pacific
ADB	Asian Development Bank
AFD	Agence Française de Développement
AfDB	African Development Bank
AREF	Africa Renewable Energy Fund
ARESUF	Africa Renewable Energy Scale Up Facility
ARPF	RCH Africa Renewable Power Fund
ASEAN	Association of Southeast Asian Nations
BA	Business Angel
BDS	Business Development Services
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung
BoD	Board of Directors
CARDS	Community Assistance for Reconstruction, Development and Stabilisation
CCEF	Caucasus Clean Energy Fund I
CdC	Caisse des dépôts et consignations
CdP	Cassa Depositi e Prestiti
CEB	Council of Europe Development Bank
CICLA	Cities and Climate in Africa
CIO	Climate Investor One
CIP	Competitiveness and Innovation Framework Programme
CMCF	Catalyst MENA Clean Energy Fund
COSME	The EU programme for the Competitiveness of SMEs
CPR	Common Provisions Regulation
DA	Delegation Agreement
DAE	Digital Agenda for Europe
DCI	Development Cooperation Instrument
DEF	Digital Energy Facility
DEG	Deutsche Investitions- und Entwicklungsgesellschaft
DF	Development Facility
DIV	Dedicated Investment Vehicle
EAFRD	The European agricultural fund for rural development
EaSI	EU Programme for Employment and Social Innovation
EC	European Commission
EEA	European Economic Area
EFSD	European Fund for Sustainable Development
EFSI	European Fund for Strategic Investment
EIB	European Investment Bank
EIB TA	European Investment Bank Trust Account
EIF	European Investment Fund
EIP	Entrepreneurship and Innovation Programme
ELENA	European Local ENergy Assistance

ENPI	European Neighbourhood and Partnership Instrument
ERDF	European Regional Development Fund
ESG	Environmental, Social and Governance
ESIF	European Structural and Investment Funds
EU	European Union
FCP-FIS	"Fonds Commun de Placement – Fonds d'Investissement Spécialisé"
FEI	Facility for Energy Inclusion
FI	Financial Intermediary
FMA	Financial management Agreement
FMO	De Nederlandse Financierings-maatschappij voor Ontwikkelingslanden
FR	Financial Regulation
FX	Foreign Exchange
GIF	High Growth and Innovative SME Facility under CIP
H2020	Horizon 2020
IFI	International Financial institution
IPA	Instrument for Pre-Accession Assistance
KfW	Kreditanstalt für Wiederaufbau
LEF	Local Enterprise Facility
LGTT	Loan Guarantee Instrument
Marguerite	The 2020 European Fund for Energy, Climate Change and Infrastructure
MCDF	MicroCarbon Development Fund
MTF	Multiannual Financial Framework
MFI	Microfinance Institution
MS	Member State
MSE	Micro and small enterprises
MSEF	MGM Sustainable Energy Fund
NAV	Net Asset Value
NECP	National Energy and Climate Plans
NEEAP	National Energy Efficiency Action Plans
NIF	Neighbourhood Investment Facility
OeEB	Oesterreichische Entwicklungsbank AG
PBI	Project Bond Initiative
PCI	Projects of Common Interest
PPP	Public-Private Partnership
R & I	Research and Innovation
RDI	Research, Development and Innovation
REAF	Renewable Energy Asia Fund
RSF	Risk-Sharing Facility
SEE	Southeast Europe
SICAV	Société d'Investissement à Capital Variable
SME	Small and Medium-sized Enterprise
SMEG07	SME Guarantee Facility under CIP
TA	Technical Assistance
TEN	Trans-European Network
TT	Technology Transfer

UNSC	United Nations Security Council
VC	Venture Capital
WB	Western Balkans
WBG	World Bank Group
WEE	Women's Economic Empowerment Initiative
WFIF	Women's Financial Inclusion Facility

8 Summary tables

8.1 Summary table internal policies

Financial Instrument	Managing party	Financial envelope available	Budgetary Commitments		Budgetary Payments	
			Aggregate	2020	Aggregate	2020
INFRASTRUCTURE AND CLIMATE CHANGE						
1.1 CEF Equity - Connecting Europe Broadband Fund	Other	100.000.000	100.000.000	0	18.270.193	8.539.263
1.2 Connecting Europe Facility (CEF) - Debt Instruments	EIB	2.536.000.000	755.023.980	0	755.023.980	57.991.229
1.3 Private Finance for Energy Efficiency Instruments Facility (PF4EE)	EIB	105.000.000	105.000.000	0	60.126.667	12.000.000
1.4 Natural Capital Financing Facility (NCFF)	EIB	60.000.000	60.000.000	0	12.645.000	0
1.5 European Energy Efficiency Fund (EEEF)	Other	97.044.399	121.164.513	-25.170.132	116.203.765	0
1.6 The 2020 European Fund - Marguerite Fund	Other	70.321.760	71.909.749	0	70.321.760	228.000
<i>Sub-total instruments</i>		2.968.366.159	1.213.098.242	-25.170.132	1.032.591.365	78.758.492
RESEARCH AND INNOVATION						
2.1 InnovFin Debt - Horizon 2020 Loan Services for R I Facility	EIB	1.981.100.000	1.981.100.000	507.100.000	1.674.826.750	400.000.000
2.2 Risk-Sharing Finance Facility (RSFF)	EIB	960.730.000	960.730.000	0	960.730.000	0
2.3 Pilot guarantee facility for Research and Innovation-driven SMEs and small midcaps - RSI	EIF	270.000.000	270.000.000	0	270.000.000	0
<i>Sub-total instruments</i>		3.211.830.000	3.211.830.000	507.100.000	2.905.556.750	400.000.000
SOCIAL AND EDUCATION						
3.1a EaSI Microfinance and Social Enterprise (EaSI)	EIF	131.000.000	131.000.000	21.274.928	121.751.480	25.089.290
3.1b EASI capacity building	EIF	45.000.000	45.000.000	19.000.000	30.810.029	8.084.645
3.2 European Progress Micro-Finance Guarantee Facility (EPMF - G)	EIF	25.000.000	23.989.699	0	23.989.699	0
3.3a European Progress Micro-Finance Fund (EPMF - FCP-FIS)	EIF	80.000.000	80.000.000	0	80.000.000	0
3.3b Employment and Social Innovation Sub - Fund (EaSI FIS)	EIF	67.000.000	48.000.000	19.000.000	25.000.000	0
3.4 Student Loan Guarantee Facility (Erasmus+) - SLGF	EIF	49.523.671		0	22.079.671	0
<i>Sub-total instruments</i>		397.523.671	327.989.699	59.274.928	303.630.879	33.173.935
SMEs						
4.1 Loan Guarantee Facility under COSME (COSME-LGF)	EIF	1.200.450.345	1.200.450.345	275.952.803	885.249.740	322.378.972
4.2 Equity Facility for Growth under COSME (COSME-EFG)	EIF	378.100.000	378.100.000	13.100.000	121.568.474	27.508.246
4.3 InnovFin SMEG - SME and Small Midcaps R I Loans Service under Horizon 2020	EIF	1.280.914.300	1.280.914.300	177.675.765	1.272.614.300	171.496.089
4.4 InnovFin Equity - Equity Facility for R I under Horizon 2020	EIF	887.805.268	887.805.268	155.569.896	636.014.580	102.202.831
4.5 European Innovation Council Fund	EIF	278.070.000	693.733.899	693.733.899	278.100.000	278.100.000
4.6 Cultural and Creative Sectors Guarantee Facility - CCS GF	EIF	123.205.564	123.205.564	29.663.000	0	0
4.7 SME Guarantee Facility under CIP (SMEG 07)	EIF	510.982.223	510.982.223	0	450.903.607	0
4.8 High Growth and Innovative SME Equity Facility under CIP (GIF)	EIF	554.754.761	600.938.346	0	551.653.505	13.420.950
4.9 SME Initiative (COSME and Horizon 2020 contribution)	EIF	32.000.000	25.860.646	166.374	24.193.001	3.205.996
<i>Sub-total instruments</i>		5.246.282.461	5.701.990.591	1.345.861.737	4.220.297.206	918.313.084
TOTAL		11.824.002.291	10.454.908.532	1.887.066.533	8.462.076.200	1.430.245.511

Financial Instrument	Managing party	Revenues		Repayments		Additional resources for the financial year 2020		
		Aggregate	2020	Aggregate	2020	EU Budget	Instrument	Total
INFRASTRUCTURE AND CLIMATE CHANGE								
1.1 CEF Equity - Connecting Europe Broadband Fund	Other	10.002	10.002	1.415.145	1.415.145	10.002	1.415.145	1.425.146
1.2 Connecting Europe Facility (CEF) - Debt Instruments	EIB	125.170.686	14.817.787	0	0	387.566	8.411.293	8.798.859
1.3 Private Finance for Energy Efficiency Instruments Facility (PF4EE)	EIB	402.668	199.550	0	0	0	0	0
1.4 Natural Capital Financing Facility (NCFF)	EIB	0	0	0	0	0	0	0
1.5 European Energy Efficiency Fund (EEEF)	Other	0	0	7.110.674	4.498.415	0	4.498.415	4.498.415
1.6 The 2020 European Fund - Marguerite Fund	Other	0	0	56.125.196	11.943.662	0	19.366.192	19.366.192
<i>Sub-total instruments</i>		125.583.355	15.027.338	64.651.014	17.857.222	397.568	33.691.045	34.088.613
RESEARCH AND INNOVATION								
2.1 InnovFin Debt - Horizon 2020 Loan Services for R I Facility	EIB	172.145.854	24.595.919	39.757.000	0	0	0	0
2.2 Risk-Sharing Finance Facility (RSFF)	EIB	293.697.353	4.575.256	924.585.578	450.189.570	0	450.189.570	450.189.570
2.3 Pilot guarantee facility for Research and Innovation-driven SMEs and small midcaps - RSI	EIF	2.018.126	228.976	114.105.752	50.000.000	0	50.000.000	50.000.000
<i>Sub-total instruments</i>		467.861.333	29.400.151	1.078.448.330	500.189.570	0	500.189.570	500.189.570
SOCIAL AND EDUCATION								
3.1a EaSI Microfinance and Social Enterprise (EaSI)	EIF	2.439.420	756.527	0	0	0	0	0
3.1b EASI capacity building	EIF	842.473	666.264	0	0	0	0	0
3.2 European Progress Micro-Finance Guarantee Facility (EPMF - G)	EIF	1.363.272	0	0	513.296	0	513.296	513.296
3.3a European Progress Micro-Finance Fund (EPMF - FCP-FIS)	EIF	0	0	41.349.062	27.511.897	513.296	0	513.296
3.3b Employment and Social Innovation Sub - Fund (EaSI FIS)	EIF	0	0	0	0	0	0	0
3.4 Student Loan Guarantee Facility (Erasmus+) - SLGF	EIF	2.016.177	164.727	-8.368.168	-8.368.168	480.616	-8.368.168	-7.887.553
<i>Sub-total instruments</i>		6.661.342	1.587.518	32.980.894	19.657.025	993.912	-7.854.872	-6.860.960
SMEs								
4.1 Loan Guarantee Facility under COSME (COSME-LGF)	EIF	12.939.899	3.972.887	0	0	0	0	0
4.2 Equity Facility for Growth under COSME (COSME-EFG)	EIF	585.137	376.868	3.307.121	3.148.947	0	0	0
4.3 InnovFin SMEG - SME and Small Midcaps R I Loans Service under Horizon 2020	EIF	26.203.381	6.224.182	0	0	0	6.716.958	6.716.958
4.4 InnovFin Equity - Equity Facility for R I under Horizon 2020	EIF	5.435.728	1.441.309	0	0	0	0	0
4.5 European Innovation Council Fund	EIF	0	0	0	0	0	0	0
4.6 Cultural and Creative Sectors Guarantee Facility - CCS GF	EIF	619.577	120.926	0	0	0	0	0
4.7 SME Guarantee Facility under CIP (SMEG 07)	EIF	41.039.604	505.468	0	0	0	0	0
4.8 High Growth and Innovative SME Equity Facility under CIP (GIF)	EIF	42.070.721	2.762.385	219.391.027	23.845.450	3.909.883	27.119.995	31.029.878
4.9 SME Initiative (COSME and Horizon 2020 contribution)	EIF	0	0	0	0	0	0	0
<i>Sub-total instruments</i>		128.894.047	15.404.025	222.698.148	26.994.397	3.909.883	33.836.953	37.746.836
TOTAL		729.000.078	61.419.032	1.398.778.385	564.698.213	5.301.363	559.862.696	565.164.058

Financial Instrument	Managing party	Financial risk exposure of the Union	Provisions for risk and liabilities	Assets provisioned for risk and liabilities	Called guarantees		Guarantees calls recovered	
		Amount	If applicable	If applicable	Amount	%	Amount	%
INFRASTRUCTURE AND CLIMATE CHANGE								
1.1 CEF Equity - Connecting Europe Broadband Fund	Other	81.954.190	0	0	0	0	0	0
1.2 Connecting Europe Facility (CEF) - Debt Instruments	EIB	578.768.439	0	768.253.336	0	0	0	0
1.3 Private Finance for Energy Efficiency Instruments Facility (PF4EE)	EIB	70.211.788	0	53.679.730	88.212	0	0	0
1.4 Natural Capital Financing Facility (NCFF)	EIB	7.460.798	0	10.547.662	0	0	0	0
1.5 European Energy Efficiency Fund (EEEF)	Other	104.386.701	0	0	0	0	0	0
1.6 The 2020 European Fund - Marguerite Fund	Other	44.611.200	0	0	0	0	0	0
Sub-total instruments		887.393.116	0	832.480.728	88.212	0	0	0
RESEARCH AND INNOVATION								
2.1 InnovFin Debt - Horizon 2020 Loan Services for R I Facility	EIB	1.439.977.052	55.048.503	1.661.924.725	143.836.000	0	39.756.001	0
2.2 Risk-Sharing Finance Facility (RSFF)	EIB	2.607.000	0	15.918.069	25.543.000	413.000	6.773.000	0
2.3 Pilot guarantee facility for Research and Innovation-driven SMEs and small midcaps - RSI	EIF	90.807.000	56.563.842	89.817.108	48.831.312	2.589.844	0	0
Sub-total instruments		1.533.391.052	111.612.345	1.767.659.902	218.210.312	3.002.844	46.529.001	0
SOCIAL AND EDUCATION								
3.1a EaSI Microfinance and Social Enterprise (EaSI)	EIF	272.430.932	132.599.666	106.809.333	47.617.275	13.483.629	835.225	286.429
3.1b EaSI capacity building	EIF	24.080.693	0	0	0	0	0	0
3.2 European Progress Micro-Finance Guarantee Facility (EPMF - G)	EIF	1.327.204	3.709.586	3.778.228	16.695.965	2.265.092	2.254.838	2.198.421
3.3a European Progress Micro-Finance Fund (EPMF - FCP-FIS)	EIF	1.876.322	0	0	0	0	0	0
3.3b Employment and Social Innovation Sub - Fund (EaSI FIS)	EIF	64.009.266	0	0	0	0	0	0
3.4 Student Loan Guarantee Facility (Erasmus+) - SLGF	EIF	4.192.280	1.063.753	4.549.715	206.919	53.506	0	0
Sub-total instruments		367.916.697	137.373.005	115.137.276	64.520.159	15.802.227	3.090.063	2.484.850
SMES								
4.1 Loan Guarantee Facility under COSME (COSME-LGF)	EIF	998.286.646	906.745.239	596.117.557	223.579.968	104.485.624	16.120.587	8.119.246
4.2 Equity Facility for Growth under COSME (COSME-EFG)	EIF	352.320.601	0	0	0	0	0	0
4.3 InnovFin SMEG - SME and Small Midcaps R I Loans Service under Horizon 2020	EIF	978.099.809	700.620.234	1.006.681.055	155.227.164	69.617.160	8.111.696	2.733.078
4.4 InnovFin Equity - Equity Facility for R I under Horizon 2020	EIF	650.846.569	0	418.117.164	0	0	0	0
4.5 European Innovation Council Fund	EIF	8.569.999	0	0	0	0	0	0
4.6 Cultural and Creative Sectors Guarantee Facility - CCS GF	EIF	111.901.055	67.746.597	43.434.616	0	1.285.911	0	0
4.7 SME Guarantee Facility under CIP (SMEG 07)	EIF	110.044.610	136.037.381	64.977.215	386.676.714	8.700.980	46.266.581	6.837.846
4.8 High Growth and Innovative SME Equity Facility under CIP (GIF)	EIF	472.340.445	0	0	0	0	0	0
4.9 SME Initiative (COSME and Horizon 2020 contribution)	EIF	6.462.605	0	0	0	0	0	0
Sub-total instruments		3.688.872.339	1.811.149.451	2.129.327.607	765.483.846	184.089.675	70.498.864	17.690.170
TOTAL		6.477.573.204	2.060.134.801	4.844.605.513	1.048.302.529	202.894.746	120.117.928	20.175.020

Financial Instrument	Managing party	Impairment of assets (for equity instruments)	Realised losses (for equity instruments)	Administrative expenditure (management costs)	Other operational and financial charges		
INFRASTRUCTURE AND CLIMATE CHANGE							
1.1 CEF Equity - Connecting Europe Broadband Fund	Other	18.045.810	8.314.879	0	3.368.158	1.350.000	0
1.2 Connecting Europe Facility (CEF) - Debt Instruments	EIB	0	0	0	30.492.875	5.215.229	48.871.886
1.3 Private Finance for Energy Efficiency Instruments Facility (PF4EE)	EIB	0	0	0	4.573.108	261.259	2.504.048
1.4 Natural Capital Financing Facility (NCFF)	EIB	0	0	0	1.385.269	167.057	1.006.286
1.5 European Energy Efficiency Fund (EEEF)	Other	0	0	0	19.239.317	2.279.375	0
1.6 The 2020 European Fund - Marguerite Fund	Other	0	0	0	7.105.318	401.881	0
Sub-total instruments		18.045.810	8.314.879	0	66.162.045	9.674.802	52.382.220
RESEARCH AND INNOVATION							
2.1 InnovFin Debt - Horizon 2020 Loan Services for R I Facility	EIB	0	0	0	82.797.183	29.458.842	1.405.760
2.2 Risk-Sharing Finance Facility (RSFF)	EIB	0	0	0	26.533.000	16.000	53.019.658
2.3 Pilot guarantee facility for Research and Innovation-driven SMEs and small midcaps - RSI	EIF	0	0	0	37.918.630	2.621.991	2.608.298
Sub-total instruments		0	0	0	147.248.813	32.096.833	57.033.716
SOCIAL AND EDUCATION							
3.1a EaSI Microfinance and Social Enterprise (EaSI)	EIF	0	0	0	11.574.730	1.763.136	1.393.057
3.1b EaSI capacity building	EIF	0	0	0	1.232.890	642.069	93.108
3.2 European Progress Micro-Finance Guarantee Facility (EPMF - G)	EIF	0	0	0	0	0	687.992
3.3a European Progress Micro-Finance Fund (EPMF - FCP-FIS)	EIF	12.564.880	0	0	8.997.131	0	0
3.3b Employment and Social Innovation Sub - Fund (EaSI FIS)	EIF	0	0	0	2.587.466	2.154.688	0
3.4 Student Loan Guarantee Facility (Erasmus+) - SLGF	EIF	0	0	0	6.655.225	11.569	3.481.668
Sub-total instruments		12.564.880	0	0	31.047.442	4.571.462	5.655.815
SMES							
4.1 Loan Guarantee Facility under COSME (COSME-LGF)	EIF	0	0	0	73.354.288	16.947.772	18.368.746
4.2 Equity Facility for Growth under COSME (COSME-EFG)	EIF	0	0	0	17.992.938	3.752.271	985.221
4.3 InnovFin SMEG - SME and Small Midcaps R I Loans Service under Horizon 2020	EIF	0	0	0	147.613.648	36.009.226	17.104.647
4.4 InnovFin Equity - Equity Facility for R I under Horizon 2020	EIF	329.455	104.232	0	43.833.504	5.578.257	4.192.513
4.5 European Innovation Council Fund	EIF	0	0	0	7.805.960	7.805.960	0
4.6 Cultural and Creative Sectors Guarantee Facility - CCS GF	EIF	0	0	0	7.444.875	1.827.989	2.182.226
4.7 SME Guarantee Facility under CIP (SMEG 07)	EIF	0	0	0	21.976.187	478.178	21.277.010
4.8 High Growth and Innovative SME Equity Facility under CIP (GIF)	EIF	41.151.012	1.852.168	1.385.704	33.138.591	991.079	3.971.793
4.9 SME Initiative (COSME and Horizon 2020 contribution)	EIF	0	0	0	0	0	0
Sub-total instruments		41.480.467	1.956.400	1.385.704	353.159.991	73.390.732	68.082.156
TOTAL		72.091.157	10.271.279	1.385.704	597.418.291	119.733.829	189.153.908

Financial Instrument	Managing party	Balance in the fiduciary account		EU Contribution committed to financial intermediaries	Financial provided by financial intermediaries to final recipients	Investment made by final recipients due to the received financing
		2022	2019			
INFRASTRUCTURE AND CLIMATE CHANGE						
1.1 CEF Equity - Connecting Europe Broadband Fund	Other	0	0	100.000.000	48.251.890	0
1.2 Connecting Europe Facility (CEF) - Debt Instruments	EIB	0	207.113	755.023.980	1.944.260.000	17.459.920.000
1.3 Private Finance for Energy Efficiency Instruments Facility (PF4EE)	EIB	21.368.259	26.401.396	73.500.000	186.782.805	263.802.231
1.4 Natural Capital Financing Facility (NCFF)	EIB	10.547.662	10.993.214	60.000.000	41.203.465	57.684.849
1.5 European Energy Efficiency Fund (EEEF)	Other	0	0	99.829.868	177.764.000	322.964.000
1.6 The 2020 European Fund - Marguerite Fund	Other	0	0	71.909.749	751.000.000	4.170.000.000
<i>Sub-total instruments</i>		31.915.921	37.601.723	1.160.263.597	3.149.262.160	22.274.371.080
RESEARCH AND INNOVATION						
2.1 innovFin Debt - Horizon 2020 Loan Services for R I Facility	EIB	2.149	2.149	1.981.100.000	11.010.680.418	29.279.199.119
2.2 Risk-Sharing Finance Facility (RSFF)	EIB	650.000	252.376	960.730.000	6.000.000.000	12.000.000.000
2.3 Pilot guarantee facility for Research and Innovation-driven SMEs and small midcaps - RIS	EIF	9.351.657	11.452.583	270.000.000	2.321.200.000	4.642.400.000
<i>Sub-total instruments</i>		10.003.806	11.707.108	3.211.830.000	19.331.880.418	45.921.599.119
SOCIAL AND EDUCATION						
3.1a EaSI Microfinance and Social Enterprise (EaSI)	EIF	106.809.333	58.910.824	387.875.227	1.763.228.963	2.468.520.548
3.1b EaSI capacity building	EIF	8.432.631	6.496.817	32.069.244	0	0
3.2 European Progress Micro-Finance Guarantee Facility (EPMF – G)	EIF	3.778.228	4.412.945	23.989.699	236.203.114	330.684.360
3.3a European Progress Micro-Finance Fund (EPMF – FCP-FIS)	EIF	0	0	80.000.000	281.012.214	401.425.948
3.3b Employment and Social Innovation Sub - Fund (EaSI FIS)	EIF	0	0	19.284.188	0	0
3.4 Student Loan Guarantee Facility (Erasmus+) – SLGF	EIF	4.549.715	14.140.841	13.911.503	9.506.379	9.506.379
<i>Sub-total instruments</i>		123.569.907	83.961.427	557.129.861	2.289.950.670	3.210.137.235
SMEs						
4.1 Loan Guarantee Facility under COSME (COSME-LGF)	EIF	595.997.940	401.223.026	2.408.915.107	40.584.094.526	50.730.118.158
4.2 Equity Facility for Growth under COSME (COSME-EFG)	EIF	14.791.035	14.495.128	378.100.000	473.984.072	900.569.737
4.3 innovFin SMEG - SME and Small Midcaps R I Loans Service under Horizon 2020	EIF	75.984.687	132.005.953	2.680.914.300	18.201.535.594	25.482.149.831
4.4 innovFin Equity - Equity Facility for R I under Horizon 2020	EIF	60.152.759	92.691.722	887.805.268	1.442.419.492	2.740.597.034
4.5 European Innovation Council Fund	EIF	269.027.671	0	693.733.899	8.569.999	16.282.997
4.6 Cultural and Creative Sectors Guarantee Facility – CCS GF	EIF	43.434.616	36.133.592	123.205.564	935.161.161	2.049.158.195
4.7 SME Guarantee Facility under CIP (SMEG 07)	EIF	64.996.309	70.734.759	496.700.000	21.222.800.000	31.065.800.000
4.8 High Growth and Innovative SME Equity Facility under CIP (GIF)	EIF	67.375.248	76.246.389	534.731.622	0	4.063.000.000
4.9 SME initiative (COSME and Horizon 2020 contribution)	EIF	0	0	1.212.548.238	6.336.224.375	8.870.714.125
<i>Sub-total instruments</i>		1.191.760.265	823.530.569	9.416.653.998	89.204.789.218	125.918.490.078
TOTAL		1.357.249.899	956.800.827	14.345.877.456	113.975.882.466	197.324.597.512

8.2 Summary table external policies

Financial Instrument	Managing party	Financial envelope available	Budgetary Commitments		Budgetary Payments	
			Aggregate	2020	Aggregate	2020
FINANCIAL INSTRUMENTS IN EXTERNAL POLICIES						
5.1a Guarantee Facility under the Western Balkans EDIF I	EIF	21.900.000	21.900.000	0	21.900.000	0
5.1b Guarantee Facility under the Western Balkans EDIF II	EIF	47.500.000	47.500.000	47.500.000	22.850.000	4.000.000
5.1c Enterprise Expansion Fund — ENEF under Western Balkan	EIF	9.500.000	11.000.000	11.000.000	11.000.000	11.000.000
5.1d Enterprise Innovation Fund – ENIF under Western Balkan	EIF	14.100.000	21.200.000	21.200.000	21.200.000	21.200.000
5.1e Green for Growth Fund (GGF)	EIF	58.633.233	20.000.000	10.000.000	20.000.000	0
5.1f European Fund for Southeast Europe (EFSE) under Western Balkans	EIF	91.319.341	0	18.000.000	0	0
5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)	EIF	78.299.357	81.100.000	0	79.500.000	0
5.3 Support to the Facility for FEMIP	EIB	224.000	224.000.000	0	224.000.000	0
<i>Sub-total instruments</i>		321.475.931	426.700.000	107.700.000	400.450.000	36.200.000

Financial Instrument	Managing party	Revenues		Repayments		Additional resources for the financial year 2020		
		Aggregate	2020	Aggregate	2020	EU Budget	Instrument	Total
FINANCIAL INSTRUMENTS IN EXTERNAL POLICIES								
5.1a Guarantee Facility under the Western Balkans EDIF I	EIF	0	0	0	0	0	0	0
5.1b Guarantee Facility under the Western Balkans EDIF II	EIF	0	0	0	0	0	0	0
5.1c Enterprise Expansion Fund — ENEF under Western Balkan	EIF	880.688	195.876	0	0	0	0	0
5.1d Enterprise Innovation Fund – ENIF under Western Balkan	EIF	0	0	0	0	0	0	0
5.1e Green for Growth Fund (GGF)	EIF	0	0	0	0	0	0	0
5.1f European Fund for Southeast Europe (EFSE) under Western Balkans	EIF	0	0	0	0	0	0	0
5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)	EIF	0	0	0	0	0	0	0
5.3 Support to the Facility for FEMIP	EIB	15.923.374	193	94.323.181	19.412.487	0	0	0
<i>Sub-total instruments</i>		16.804.062	196.069	94.323.181	19.412.487	0	0	0

Financial Instrument	Managing party	Financial risk exposure of the Union	Provisions for risk and liabilities	Assets provisioned for risk and liabilities	Called guarantees	
					Aggregate	2020
FINANCIAL INSTRUMENTS IN EXTERNAL POLICIES						
5.1a Guarantee Facility under the Western Balkans EDIF I	EIF	17.573.076	17.665.908	18.264.782	2.042.944	103.944
5.1b Guarantee Facility under the Western Balkans EDIF II	EIF	47.789.217	28.823.972	19.978.324	575.641	488.330
5.1c Enterprise Expansion Fund — ENEF under Western Balkan	EIF	5.562.610	0	0	0	0
5.1d Enterprise Innovation Fund – ENIF under Western Balkan	EIF	13.043.000	0	0	0	0
5.1e Green for Growth Fund (GGF)	EIF	56.465.481	0	0	0	0
5.1f European Fund for Southeast Europe (EFSE) under Western Balkans	EIF	112.064.664	0	0	0	0
5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)	EIF	66.024.195	0	0	0	0
5.3 Support to the Facility for FEMIP	EIB	73.580.887	0	13.099.867	0	0
<i>Sub-total instruments</i>		392.103.130	46.489.880	51.342.973	2.618.585	592.274

Financial Instrument	Managing party	Guarantees calls recovered		Impairment of assets (for equity instruments)		Realised losses (for equity instruments)	
		Aggregate	2020	Aggregate	2020	Aggregate	2020
FINANCIAL INSTRUMENTS IN EXTERNAL POLICIES							
5.1a Guarantee Facility under the Western Balkans EDIF I	EIF	449.750	18.543	0	0	0	0
5.1b Guarantee Facility under the Western Balkans EDIF II	EIF	13.296	254	0	0	0	0
5.1c Enterprise Expansion Fund — ENEF under Western Balkan	EIF	0	0	0	0	0	0
5.1d Enterprise Innovation Fund – ENIF under Western Balkan	EIF	0	0	0	0	0	0
5.1e Green for Growth Fund (GGF)	EIF	0	0	2.167.752	2.167.752	0	0
5.1f European Fund for Southeast Europe (EFSE) under Western Balkans	EIF	0	0	0	0	0	0
5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)	EIF	0	0	8.276.805	3.192.246	0	0
5.3 Support to the Facility for FEMIP	EIB	0	0	20.395.600	5.025.629	322.002	2.017
<i>Sub-total instruments</i>		463.046	18.797	30.840.157	10.385.627	322.002	2.017

Financial Instrument	Managing party	Administrative expenditure (management costs)		Other operational and financial charges		Balance in the fiduciary account	
		Aggregate	2020	Aggregate	2020	2020	2019
FINANCIAL INSTRUMENTS IN EXTERNAL POLICIES							
5.1a Guarantee Facility under the Western Balkans EDIF I	EIF	1.900.000	0	237.446	60.400	18.264.782	18.420.177
5.1b Guarantee Facility under the Western Balkans EDIF II	EIF	1.554.592	210.426	74.442	40.629	19.977.655	16.794.116
5.1c Enterprise Expansion Fund — ENEF under Western Balkan	EIF	494.935	91.008	0	0	5.150.032	7.043.216
5.1d Enterprise Innovation Fund — ENIF under Western Balkan	EIF	5.800.000	903.179	0	0	4.850.327	6.749.768
5.1e Green for Growth Fund (GGF)	EIF	708.316	156.129	0	0	0	0
5.1f European Fund for Southeast Europe (EFSE) under Western Balkans	EIF	472.520	104.500	0	0	0	0
5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)	EIF	18.375.174	1.854.558	0	0	405.584	784.336
5.3 Support to the Facility for FEMIP	EIB	11.951.057	996.567	40.472.824	1.082.572	13.099.867	34.158.603
<i>Sub-total instruments</i>		41.256.594	4.316.367	40.784.712	1.183.601	61.748.247	83.950.216

Financial Instrument	Managing party	EU Contribution committed to financial intermediaries	Financing provided by financial intermediaries to final recipients	Investment made by final recipients due to the received financing
		Actual	Actual	Actual
FINANCIAL INSTRUMENTS IN EXTERNAL POLICIES				
5.1a Guarantee Facility under the Western Balkans EDIF I	EIF	21.900.000	114.600.000	160.440.000
5.1b Guarantee Facility under the Western Balkans EDIF II	EIF	47.500.000	245.315.000	343.441.000
5.1c Enterprise Expansion Fund — ENEF under Western Balkan	EIF	11.000.000	56.976.000	108.254.400
5.1d Enterprise Innovation Fund — ENIF under Western Balkan	EIF	21.200.000	29.863.000	56.739.700
5.1e Green for Growth Fund (GGF)	EIF	58.633.233	348.000.000	435.000.000
5.1f European Fund for Southeast Europe (EFSE) under Western Balkans	EIF	91.319.341	2.900.000.000	0
5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)	EIF	78.299.357	114.020.887	817.176.837
5.3 Support to the Facility for FEMIP	EIB	129.676.819	587.050.000	5.222.520.000
<i>Sub-total instruments</i>		459.528.750	4.395.824.887	7.143.571.937

8.3 Summary blending

	6,1	6,2	6,3	6,4	Total
Budgetary Commitments					
Aggregate	540.319.490	21.270.000	39.310.000	473.126.146	1.074.025.636
Budgetary Payments					
Aggregate	413.650.619	19.710.000	13.232.757	228.613.445	675.206.821
Maximum financial risk exposure 2020	314.691.154	10.232.814	10.919.915	87.514.129	423.358.012
Guarantees given					
Aggregate	66.194.308	2.292.742	0	5.272.415	73.759.465
Guarantees called					
Aggregate	637.867	0	0	0	637.867
Amounts recovered from guarantees called					
Aggregate	0	0	0	0	0
Value of equity 2020	195.762.530	8.760.648	10.919.915	56.528.809	271.971.902
Impairments and realised losses on equity					
Aggregate	18.577.517	0	1.852.842	6.632.469	27.062.828
Reflows: returned to the EU budget					
Aggregate	0	2.000.000	0	0	2.000.000
Reflows: returned to be reused					
Aggregate	0	0	0	0	0
Implementing costs					
Aggregate	26.352.679	507.907	54.583	6.567.733	33.482.902

8.4 Internal policies aggregation EIB – EIF

Managing party		EIB	EIF	Other	Total	
Financial envelope available	Total	5.642.830.000	5.913.806.132	267.366.159	11.824.002.291	
Budgetary Commitments	Aggregate	3.861.853.980	6.313.891.793	293.074.262	10.468.820.035	
	2020	507.100.000	1.405.136.665	-25.170.132	1.887.066.533	
Budgetary Payments	Aggregate	3.463.352.397	4.793.928.085	204.795.718	8.462.076.200	
	2020	469.991.229	951.487.019	8.767.263	1.430.245.511	
Revenues	Aggregate	591.416.561	137.573.515	10.002	729.000.078	
	2020	44.188.512	17.220.519	10.002	61.419.032	
Repayments	Aggregate	964.342.578	369.784.794	64.651.014	1.398.778.385	
	2020	450.189.570	96.651.422	17.857.222	564.698.213	
Guarantee calls	Called guarantees	Aggregate	169.467.212	878.835.317	0	1.048.302.529
		2020	413.000	202.481.746	0	202.894.746
	Guarantees calls recovered	Aggregate	46.529.001	73.588.927	0	120.117.928
		2020	0	20.175.020	0	20.175.020
	Total	Aggregate	215.996.213	952.424.244	0	1.168.420.457
		2020	413.000	222.656.766	0	223.069.766
Equity losses	Impairment of assets (for equity instruments)	Aggregate	0	54.045.347	18.045.810	72.091.157
		2020	0	1.956.400	8.314.879	10.271.279
	Realised losses (for equity instruments)	Aggregate	0	1.385.704	0	1.385.704
		2020	0	0	0	0
	Total	Aggregate	0	55.431.051	18.045.810	73.476.861
		2020	0	1.956.400	8.314.879	10.271.279
Administrative expenditure	Administrative expenditure (management costs)	Aggregate	145.781.435	422.126.063	29.710.793	597.618.291
		2020	35.118.387	80.584.185	4.031.256	119.733.829
	Other operational and financial charges	Aggregate	106.807.639	76.346.269	0	183.153.908
		2020	1.453.513	20.568.514	0	22.022.027
	Total	Aggregate	252.589.074	498.472.332	29.710.793	780.772.199
		2020	36.571.901	101.152.699	4.031.256	141.755.856
Balance in the fiduciary account	2020	32.568.070	1.324.681.829	0	1.357.249.899	
	2019	37.856.248	918.944.579	0	956.800.827	

8.5 External policies aggregation EIB – EIF

Managing party		EIB	EIF	Total	
Financial envelope available	Total	224.000	321.251.931	321.475.931	
Budgetary Commitments	Aggregate	224.000.000	202.700.000	426.700.000	
	2020	0	107.700.000	107.700.000	
Budgetary Payments	Aggregate	224.000.000	176.450.000	400.450.000	
	2020	0	36.200.000	36.200.000	
Revenues	Aggregate	15.923.374	880.688	16.804.062	
	2020	193	195.876	196.069	
Repayments	Aggregate	94.323.181	0	94.323.181	
	2020	19.412.487	0	19.412.487	
Guarantee calls	Called guarantees	Aggregate	0	2.618.585	2.618.585
		2020	0	592.274	592.274
	Guarantees calls recovered	Aggregate	0	463.046	463.046
		2020	0	18.797	18.797
	Total	Aggregate	0	3.081.631	3.081.631
		2020	0	611.071	611.071
Equity losses	Impairment of assets (for equity instruments)	Aggregate	20.395.600	10.444.557	30.840.157
		2020	5.025.629	5.359.998	10.385.627
	Realised losses (for equity instruments)	Aggregate	322.002	0	322.002
		2020	2.017	0	2.017
	Total	Aggregate	20.717.602	10.444.557	31.162.159
		2020	5.027.646	5.359.998	10.387.644
Administrative expenditure	Administrative expenditure (management costs)	Aggregate	11.951.057	29.305.537	41.256.594
		2020	996.567	3.319.800	4.316.367
	Other operational and financial charges	Aggregate	40.472.824	311.888	40.784.712
		2020	1.082.572	101.029	1.183.601
	Total	Aggregate	52.423.881	29.617.425	82.041.306
		2020	2.079.139	3.420.829	5.499.968
Balance in the fiduciary account	2020	13.099.867	48.648.380	61.748.247	
	2019	34.158.603	49.791.613	83.950.216	

8.6 Blending aggregated data by managing party

Managing party	Budgetary commitments	Budgetary payments	Amounts committed by the managing party	Administrative expenditure
EIB	348.160.271	156.359.721	92.293.734	-
EBRD	264.419.363	199.344.194	28.478.152	-
KfW	536.366.090	398.221.197	113.981.950	1.450.000
AFD	365.749.447	152.359.781	-	-
AECID	119.718.773	88.275.246	-	400.000
SIMEST/ CDP	-	-	-	-
IDB	10.200.000	-	-	200.000
COFIDES	25.350.000	7.105.975	-	300.000
FMO	216.044.712	124.288.430	-	-
Proparco	39.234.234	18.571.065	-	-
African Developing Bank	40.242.000	35.042.000	-	-
TOTAL	1.965.484.891	1.179.567.607	234.753.835	2.350.000

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