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Proposal for a

# REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

## amending Regulations (EU) 2015/1017, (EU) 2021/523, (EU) 2021/695 and (EU) 2021/1153 as regards increasing the efficiency of the EU guarantee under Regulation (EU) 2021/523 and simplifying reporting requirements

# EXPLANATORY MEMORANDUM

## 1. CONTEXT OF THE PROPOSAL

### • Reasons for and objectives of the proposal

The Commission emphasises the importance of investing in key technologies and sectors to drive growth and competitiveness in the Union. Commission President von der Leyen, in her Political Guidelines for the 2024-2029 Commission, pairs investment with the ambition of making business easier through reducing administrative burden and reporting obligations. Following up on these strategical milestones, the Commission published 'A Competitiveness Compass for the EU'[1] in January 2025 which announces a Clean Industrial Deal aimed at securing the Union as an attractive location for manufacturing, and promoting clean tech and new circular business models, in order to meet its agreed decarbonisation objectives.

Against this backdrop, the InvestEU programme, the Union's largest risk-sharing instrument to support priority investments within the Union, as also pointed out in the Draghi report, has been successful in mobilising investments where market failures would inhibit them otherwise. Thanks to its partial provisioning and multiplier effect, InvestEU offers a budget-wise efficient instrument to address large investment needs in priority areas by leveraging public and private investment. This is particularly relevant in the context of constrained public finances. While InvestEU targets a broad range of key policy areas, a strong focus is set on investments which can support the objectives of the Competitiveness Compass, the Clean Industrial Deal and the digital innovation and transition including support to start-ups and scale-ups. In fact, InvestEU is a versatile instrument and can support investment activity in different policy areas according to the evolving and emerging priorities of the Union.

The interim evaluation of the InvestEU programme, published in September 2024[2], highlighted the need to consider ways to enhance the financial capacity of InvestEU in the remainder of the programming period and to reduce the administrative burden on key stakeholders. Moreover, the interim evaluation recommended ensuring continuity in the financial products offered to the market and avoiding a stop-and-go situation, as this would create not only a gap in the much-needed Union support to policy priorities but would also add complexity to the financial intermediaries and final recipients.

As of June 2024, InvestEU is estimated to have mobilised investments of EUR 280 billion, of which EUR 201 billion (close to 70 %) stemming from the private sector. InvestEU plays a key role in addressing financial barriers and driving the investments needed for competitiveness, research and innovation, decarbonisation and environmental and social sustainability. Close to 45 % of the volume of operations signed under InvestEU are supporting the climate objective.

In light of these developments, a legislative amendment to the InvestEU Regulation[3] is proposed to allow the use of existing resources more efficiently by increasing the size of the

[1] COM(2025)30 final.

[2] https://commission.europa.eu/about/departments-and-executive-agencies/economic-and-financial-affairs/evaluation-reports-economic-and-financial-affairs-policies-and-spending-activities/interim-evaluation-investeu-programme_en

[3] Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).

EU guarantee and its provisioning through the use of reflows from the European Fund for Strategic Investments (EFSI) and from legacy instruments[4] and by combining the InvestEU portfolio with support from the Union budget under EFSI and other legacy financial instruments (CEF Debt Instrument and InnovFin Debt Facility) portfolios, thus providing continued support to businesses and projects in the last two years of this programming period. These combinations potentially reduce the budget revenues (in relation to reflows or surpluses from legacy instruments). However, they would also trigger substantial financial efficiency gains by creating the possibility for an increased volume of guarantee cover to be provided for strategic investments in key Union priority areas leading to an additional investment of around EUR 25 billion that can be expected to be mobilised and by leading to an increased diversification of risks underpinned by the same provisioning. They would also lead to reporting streamlining for the EIB and the EIF, albeit with certain specific data to be provided to the Commission for the accounting.

The proposed changes are expected to mobilise around EUR 50 billion in additional public and private investment. The increased InvestEU capacity will be mainly used to finance higher risk activities in support of priority Union policies, such as the ones outlined in the Competitiveness Compass – covering tech sectors that will matter in tomorrow's economy such as digital frontier technologies –, the Clean Industrial Deal, as well as any potential new initiatives in priority areas such as defence industrial policy including space assets, dual-use activities or military mobility. Such increased investment capacity across the four compartments will contribute to the Union of Skills and Quality Jobs. More specifically, the incremental capacity can be used to support equity and quasi-equity in highly innovative and risky projects, higher risk debt such as certain forms of subordinated debt, guarantee instruments, and other instruments to support the scaling up of innovative companies in synergy with the European Innovation Council, as well as guarantee products targeting innovation, digitalisation, digital technologies and infrastructures, the green transition of smaller firms, social investments and skills, and investments into funds that support clean-tech and deep-tech start-ups and scale-ups and decarbonation of firms. The precise product mix, policy mix and risk-sharing arrangements will be developed and agreed between the Commission and the InvestEU implementing partners and reflected accordingly in the InvestEU guarantee agreements, aiming at targeting current challenges and policy priorities.

The possibilities under the Member State compartment for Member States to deploy funds under shared management, under the Recovery and Resilience Facility or from other national budgetary funds are proposed to be reinforced, to allow Member States to also contribute through a financial instrument in addition to existing option of contributing to the EU guarantee.

Reporting simplifications are needed for InvestEU, EFSI and legacy financial instruments under investment support programmes to reduce the reporting burden on implementing partners, financial intermediaries and final recipients. The proposal contributes to meeting the commitments of the Commission to reduce the administrative burden and reporting obligations by at least 25 % for all business and by 35 % for small and medium-sized enterprises. It is set to produce significant benefits, with spillover effects on the different actors (implementing partners, financial intermediaries, final recipients) given the multilayered setup of InvestEU.

[4] Those instruments are enumerated in Annex IV to the InvestEU Regulation.

In summary, in support of the Competitiveness Compass, the Clean Industrial Deal and contributing to the Union's economic growth and competitiveness, skills and quality jobs, the proposed amendments to the InvestEU Regulation aim to: i) increase the size and efficiency of the EU guarantee; ii) increase the attractiveness of the InvestEU Member State compartment; and iii) simplify the administrative burden notably caused by reporting requirements.

More specifically, the proposal is set to provide:

– An increase in the EU guarantee by EUR 2.5 billion under the current financing period, with the corresponding budgetary resources required for provisioning stemming from EFSI surpluses and reflows from other legacy instruments becoming available in 2025, 2026 and 2027. This increase of the EU guarantee will support the mobilisation of around EUR 25 billion in additional private and public investment.

– Enhanced possibilities of combinations of available support from the Union budget under three legacy programmes (EFSI, CEF Debt Instrument and InnovFin Debt Facility) with InvestEU Fund to improve the efficiency of InvestEU Fund and support the mobilisation of around EUR 25 billion of additional investment.

– A possibility for Member States to contribute in a fully funded manner to a financial instrument. This is in particular a valuable addition for funded equity products and for debt products which can be deployed in currencies other than the euro without exposing the Union budget to currency risk. While the proposal is at this stage done under InvestEU and usable for national funds in accordance with Recovery and Resilience plans, provided all necessary steps can be finalised before August 2026, and for other national budgetary funds, the application of this possibility to funds under shared management would necessitate limited subsequent changes to sector specific rules be effective, so it would not be immediately available for those funds.

– Reporting simplification, notably for small and medium-sized enterprises (SMEs) and social economy enterprises. Such simplifications are expected to save around EUR 350 million.

Efficiency gains and simplifications will also be achieved through non-legislative measures. Such measures include the possibility for implementing partners to rely on management declarations covering more than one Union programme they are implementing, including InvestEU, while the Commission could in this context also rely on equivalent level of assurance through other independent means than an audit opinion or the possibility for implementing partners to rely on their own positively pillar assessed rules and procedures in the selection of financial intermediaries. In parallel, the Commission is engaging with the implementing partners of legacy investment support programmes to reduce the reporting burden through contractual simplifications where no legislative amendment is needed. In addition, the Commission is exploring further simplification opportunities in relation to legislation on legacy financial support programmes, to the extent reporting requirements were laid down therein, and intends to present further legislative simplification measures, as appropriate. Additional cost savings could be realised in that context.

• **Consistency with existing policy provisions in the policy area**

This proposal is consistent with existing policy objectives in the policy areas of investment, industry, and economic growth, including the most recent ones. The InvestEU programme is consistent with the Union's sustainable economy and industrial policy strategies. It aims to promote the competitiveness of the European economy and the development of key industries and technologies and is a key component of the Union's investment policy as presented in the Competitiveness Compass and the Clean Industrial Deal. The proposal should also continue to foster the development of investment ecosystems and the emergence of market-based funding solutions in support of European competitiveness.

Following up on Commission proposal COM/2023/593[5] and in line with the Political Guidelines of the Commission President[6], the proposed simplification amendments aim to enhance further the effectiveness and efficiency of the programmes concerned, hence contributing to meeting the commitments of the Commission to reduce the administrative burden by at least 25 % for all business and by 35 % for small and medium-sized enterprises.

- **Consistency with other Union policies**

The proposal is aligned with the Union's overall objective of promoting economic growth, competitiveness, and job creation, as outlined in the Treaties. In supporting the objectives of the Clean Industrial Deal to nurture competitive manufacturers who drive decarbonisation through innovation, the proposal is also consistent with Europe's ambitious framework to become a decarbonised economy by 2050 and the intermediate 2040 target of 90 %.

Helping to de-risk private investments and feeding support through the Union's (public and private) financial system, the proposal is also consistent with the objectives of the European Savings and Investment Union to connect savings to the most productive investment, with a focus on the Union's strategic objectives, including innovation, decarbonisation, digital technologies and defence.

The proposed amendments will further enhance the impact in these areas.

## 2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The same legal basis (Article 173 (Industry) and Article 175, third paragraph, (Economic, Social and Territorial Cohesion) of the Treaty on the Functioning of the European Union (TFEU)) is being used for this proposal to amend the InvestEU Regulation than what was used for the version in force.

The amendments to other Regulations are in the same manner based on their original relevant legal bases, that is: i) Articles 172 and 173, Article 175, third paragraph, and Article 182(1) for the EFSI Regulation; ii) Articles 172 and 194 for the CEF Regulation; and iii) Articles 173(3), 182(1), 183 and 188, second paragraph, for the Horizon Europe Regulation.

- **Subsidiarity (for non-exclusive competence)**

The objectives of the proposal cannot be sufficiently achieved by the Member States and can therefore be better achieved by the Union.

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5 Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2021/523 as regards certain reporting requirements in the fields of financial services and investment support, currently being adopted by the co-legislators.

6 https://commission.europa.eu/document/download/e6cd4328-673c-4e7a-8683-f63ffb2cf648_en?filename=Political%20Guidelines%202024-2029_EN.pdf

The multiplying effect and the impact on the ground will be much higher than could be achieved by investment programmes in individual Member States. The amendments would support the industrial policy of the Union in line with the Competitiveness Compass Communication. The Union's Single Market will provide for greater attractiveness for investors and better risk diversification across sectors and geographies.

The strengthening of the Member State compartment would allow addressing country specific market failures and investment gaps while drawing on financial products designed at central level providing a tested and well-functioning distribution channel for the use of budgetary funds while leveraging private sector financing. It would in particular help Member States channel the financial support to investments under the Recovery and Resilience Plans, provided all necessary steps can be finalised before August 2026, thereby also speeding up their implementation.

- **Proportionality**

The Draghi report calls for more investment support to close the investment gap and recognises InvestEU as the key risk-sharing instrument to use.

An intervention at Union level ensures that a critical mass of resources can be leveraged so as to maximise the impact of investment on the ground. The proposal reinforces the existing EU guarantee that has enabled supporting innovative financing solutions attracting also private financing in support of key Union policies. It does not replace investments by Member States but is – on the contrary – complementary to such investments. The Union level provides for economies of scale in the use of innovative financial products by catalysing private investment in the whole Union and making best use of the European institutions and their expertise for that purpose.

Intervention at Union level is the only tool to effectively address investment needs linked to Union-wide policy objectives.

It does not go beyond what is necessary to achieve the objectives pursued.

- **Choice of the instrument**

The objectives pursued require amending the current InvestEU Regulation, EFSI Regulation, CEF Regulation and Horizon Europe Regulation through a legislative proposal.

## 3. RESULTS OF *EX POST* EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- ***Ex post* evaluations/fitness checks of existing legislation**

The InvestEU interim evaluation[7] recognised the notable successes already achieved and the potential of InvestEU to be even more impactful, while referring to the fact that the budget is inadequate relative to the high demand and significant investment needs.

It concluded that the InvestEU guarantee features high additionality, enabling the implementing partners to engage with higher risk counterparts, deploy riskier financial products or conditions and finance activities with inherently higher risk. The interim evaluation also recognised the meaningful crowding-in effect of InvestEU. Based on the operations approved as end-June 2024, the InvestEU Fund is estimated to mobilise around

[7] Commission Staff Working Document – Executive Summary of the Evaluation – InvestEU interim evaluation (SWD(2024)229 of 30.9.2024.

EUR 280 billion in additional investment, with EUR 201 billion (71 %) stemming from private sources. Furthermore, the InvestEU – as a budgetary guarantee – was seen as an inherently efficient way of using and leveraging the Union budget.

At the same time, the evaluation concluded that the current budget was inadequate relative to the high demand and significant investment needs and suggested considering ways to enhance the financial capacity of InvestEU in the remaining programming period.

- **Stakeholder consultations**

Extensive consultations were carried out in the context of the InvestEU interim evaluation, through interviews with approximately 150 key stakeholders, survey feedback from project promoters, deep dives, thematic case studies, and participation in relevant events. While stakeholders for instance praised the additionality of the programme, several stakeholders pointed out that the InvestEU budget was much too limited to provide sustainable support to target beneficiaries and in most cases the budget was close to exhausted already. In addition, most implementing partners highlighted the demanding nature of the reporting requirements, which they find burdensome due to their frequency and complexity, and they advocated further streamlining of reporting procedures. Furthermore, the Commission is in regular contact with the EIB Group and other InvestEU implementing partners and financial intermediaries who have voiced similar issues bilaterally and also through letters sent by the European Association of Long-Term Investors (ELTI) representing 13 out of the 17 implementing partners to the Commission.

Both the need for additional guarantee capacity and simplifications in terms of reporting are being catered for in the legislative proposal.

- **Collection and use of expertise**

An external independent interim evaluation[8] was conducted in 2024 in line with Article 29(2) of the InvestEU Regulation. Please see the main messages derived from the interim evaluation relevant for this proposal under the sub-heading *'Ex po*st evaluations/fitness checks of existing legislation' above.

- **Impact assessment**

This proposal does not create a new instrument. The proposal draws on the impact assessments done in the context of the original proposal for the InvestEU Regulation on the benefits of a budgetary guarantee instrument and on the interim evaluation carried out in 2024, which demonstrated the usefulness and budgetary efficiency of InvestEU. Investment needs that InvestEU was designed to tackle exceed by far the available financing under the current programme.

No additional impact assessment was done for the amendment proposal which builds on the same risk-sharing structure already being successfully implemented and is able to cater for investment support in multiple sectors in line with the policy priorities of the Union, including the evolving and emerging ones.

- **Regulatory fitness and simplification**

The proposal reflects the general simplification exercise pursued by the Commission. It aims to alleviate the administrative burden on the final recipients of the investment support, on the financial intermediaries and on the implementing partners by: i) reducing the frequency of

[8] Interim evaluation of the InvestEU Programme – Final report of 1.10.2024.

reporting; ii) removing the requirement on implementing partners to produce an annual report on investment barriers; iii) reducing the number of items to be reported in relation to small transactions; iv) adjusting the application of the SME definition. In particular, items iii) and iv) will exempt small businesses and thus reduce their costs. The ensuing cost reductions should have a positive impact on the competitiveness.

No additional reporting items are being proposed. The Commission has already established a digital tool (the InvestEU Management Information System) that the implementing partners use when submitting operational, financial and risk-related reporting data to the Commission.

- **Fundamental rights**

The proposal does not have an impact on fundamental rights.

## 4. BUDGETARY IMPLICATIONS

The EU guarantee under InvestEU is being proposed to be increased by EUR 2.5 billion which is expected to mobilise additional investment of around EUR 25 billion. This would require additional provisioning of EUR 1 billion. The resources for the provisioning would come from reflows from legacy financial instruments listed in Annex IV to the InvestEU Regulation, from EFSI, from InvestEU itself and from surpluses in the Common Provisioning Fund relating to the EFSI compartment. The amount of reflows from EFSI surpluses and from legacy financial instruments for the period 2025-2027 is expected to be in excess of EUR 2 billion.

The enhanced combinations are expected to mobilise in the area of another EUR 25 billion of investment. The financial impact of these combinations implies delayed and potentially reduced budget revenues (in relation to reflows from legacy financial instruments) and surpluses from the provisioning of EFSI.

No additional budget is requested for staff or administrative costs.

A legislative financial and digital statement with further budgetary information is included.

## 5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The InvestEU Fund (the EU guarantee) is implemented through indirect management. The Commission currently has a network of 17 implementing partners already in place, expected to increase to 24 implementing partners following the latest call for expression of interest, that ensure the implementation of the proposal in the whole Union.

The monitoring, evaluation and reporting arrangements already in place will remain, except for those reporting requirements which will be reduced or removed due to the simplification explained under the sub-heading ’Regulatory fitness and simplification’ above.

Performance will be measured against indicators laid down in the InvestEU Regulation and in the guarantee agreements with the implementing partners in order to gather harmonised reporting from them.

- **Detailed explanation of the specific provisions of the proposal**

The specific provisions are explained with reference to each Regulation being proposed to be amended.

InvestEU Regulation (Article 1)

The EU guarantee is proposed to be increased to EUR 28 652 310 073 in current prices (increase of EUR 2 500 000 000). Consequently, the 75 % of the EU guarantee allocated to the EIB Group will amount to EUR 21 489 232 555 and the financial contribution of the EIB Group is proposed to be increased in proportion to EUR 5 372 308 139.

The indicative distribution of the EU guarantee between the four policy windows laid down in Annex I is increased proportionately to the increase of the EU guarantee. This is without prejudice to initiatives that may be taken in the coming months to meet compelling and urgent financing needs in priority areas such as defence industrial policy including space assets, dual-use activities or military mobility.

The provisioning rate of 40 % will remain.

In addition, the provisions relating to combinations of EFSI and two legacy instruments with InvestEU to enhance the efficiency of the programme are adjusted to allow for most effective combinations.

An InvestEU financial instrument is proposed to be included under the Member State compartment to make more efficient the deployment of certain financial products (in particular for equity investments) under that compartment and hence increase its versatility. Furthermore, the InvestEU financial instrument can be deployed by the implementing partner in currencies other than the euro, further increasing efficiency and versatility, chiefly to the benefit of contributing Member States whose currency is not the euro.

The introduction of the InvestEU financial instrument to the Regulation has led to numerous consequential changes in the definitions of certain terms and in Articles, which previously referred only to the EU guarantee. It is being proposed that the InvestEU financial instrument in general follows the same rules as the EU guarantee, to the extent applicable and appropriate. For clarity, the mention of the InvestEU financial instrument is usually explicitly added to the relevant Articles, while cross-refences are only used in limited provisions, where it is justifiable. In this context, very minor other adjustments were made to the provisions relating to the EU guarantee under the Member State compartment relating to the content of the guarantee agreement implementing a contribution agreement.

In terms of simplification, a revised SME definition is being proposed and for small-size operations not exceeding EUR 100 000 the reporting requirements laid down in Annex III are alleviated by reducing the number of indicators on which the implementing partners will need to report, which will also have a positive impact to financial intermediaries and final recipients. The purpose is to make the requirements more proportionate while not hampering the objectives of the InvestEU programme. As a more general simplification measure, the frequency of reporting under EFSI from the EIB to the Commission is reduced to annual from semi-annual[9] and reporting on investment barriers is no longer obligatory to any implementing partner.

In addition, a number of provisions are updated technically to refer exactly to current legislation in cases where the adoption of those legislative acts was pending at the time of adoption of the InvestEU Regulation.

[9] See also footnote 5. As regards InvestEU, the reduced frequency was already proposed by the Commission but the final adoption by the European Parliament and the Council is still pending at the time of this proposal.

EFSI Regulation (Article 2)

To mirror the adjustments made in the InvestEU Regulation for combinations, adjustments were also made to the EFSI Regulation.

In terms of simplification, the frequency of reporting from the implementing partners to the Commission is reduced to annual from semi-annual and reporting on investment barriers is removed since the investment period under EFSI has ended. For the same reason, two types of reporting are discontinued.

CEF Regulation (Article 3), Horizon Europe Regulation (Article 4)

Amendments to these two Regulations aim at allowing the combinations of the support of these instruments with the EU guarantee under InvestEU Fund as provided for in Article 7 of the InvestEU Regulation.

Entry into force (Article 5)

It is proposed that the amending Regulation enters into force on the day following publication to allow for swift implementation.

2025/0040 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulations (EU) 2015/1017, (EU) 2021/523, (EU) 2021/695 and (EU) 2021/1153 as regards increasing the efficiency of the EU guarantee under Regulation (EU) 2021/523 and simplifying reporting requirements**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 172 and Article 173, Article 175, third paragraph, Article 182(1), Article 188, second paragraph, Article 183 and Article 194 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[10],

Having regard to the opinion of the Committee of the Regions[11],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The Union faces massive financing needs to deliver on its objectives in the areas of innovation, the clean and digital transition, and social investment and skills, while a complex backdrop affecting the Union's competitiveness and industrial base characterised by changing global dynamics, slow economic growth, accelerated climate change and environmental degradation, technological competition and rising geopolitical tensions needs to be addressed.

(2) The Draghi report assesses the combined additional investment needs in Europe at EUR 750-800 billion per year by 2030. This includes a substantial amount for the green and digital transition. Ensuring sufficient public and private investment is critical to boost productivity growth and achieve Union's goals, leverage private investments with the objective to decarbonise industry, accelerate the production, storage and deployment of clean energy and electrification, strengthen interconnections and grids, advance sustainable and circular business models, foster building renovation, develop clean tech manufacturing as well as digital technologies and their diffusion across economic sectors.

(3) The InvestEU Fund is the main EU-level tool to leverage public and private funding to support a broad range of Union policy priorities. Through its comprehensive network of implementing partners, including the European Investment Bank (EIB), the European Investment Fund (EIF), other international financial institutions and national promotional banks and institutions, the InvestEU Fund is delivering much-needed

[10] OJ C […], […], p. […].
[11] OJ C […], […], p. […].

financing through its risk-sharing capacity. The InvestEU interim evaluation highlighted that budgetary guarantees are inherently efficient for the EU budget and confirmed that the programme is well on track to mobilise investment, with a notable expected impact on the real economy. However, approvals of financing and investment operation under InvestEU were heavily frontloaded, and as a result, if no action is taken to address the issue, new approvals for some financial products may cease after 2025.

(4) The financial capacity of InvestEU Fund should be increased and used even more efficiently in combination with resources that will become available under the European Fund for Strategic Investments (EFSI) and other legacy instruments (CEF Debt Instrument and InnovFin Debt Facility) implemented by the EIB Group. These combinations potentially reduce the budget revenues from legacy instruments. However, they would also create the possibility for an increased volume of guarantee cover to be provided for strategic investments in key Union priority areas for an additional investment of around EUR 25 billion that can be expected to be mobilised and by leading to an increased diversification of risks and thus not substantially increasing the risks for the Union budget.

(5) With the EUR 2.5 billion increase of the EU guarantee underpinned by the additional reflows of EUR 1 billion, and the efficiency measures implemented by combining the capacities of the legacy instruments with the InvestEU Fund, it is expected that around EUR 50 billion in additional investment could be mobilised. The financial contribution of the EIB Group should be proportionally adjusted to the share of the increased EU guarantee allocated to them.

(6) In order to enhance the attractiveness of the Member State compartment under the InvestEU Fund, it should be made possible for Member States to contribute also in a fully funded manner through an InvestEU financial instrument in addition to the existing option of contributing to the EU guarantee. The support from InvestEU financial instrument should, to the extent possible, be implemented following the same principles as those of the EU guarantee. Through the InvestEU financial instrument, non-euro Member States could benefit from the InvestEU programme financially more efficiently in their own currency.

(7) In line with an overall objective of simplification so as to alleviate the administrative burden for final recipients, financial intermediaries and implementing partners, reporting requirements, including those relating to key performance and monitoring indicators, should be reduced, where appropriate, in particular those that affect small businesses and small-size operations. The application of the definition of an SME should be adjusted to remove complexities to the extent possible. Specific attention should be paid to social economy enterprises and micro finance institutions.

(8) The frequency and scope of reports should also be reduced for the InvestEU programme and its predecessor, the EFSI programme.

(9) For the Commission’s accounting, implementing partners should provide for combinations audited financial statements in line with Article 212(4) of the Financial Regulation, clearly delineating the amounts related to the different legal basis.

(10) Regulations (EU) 2015/1017, (EU) 2021/695 and (EU) 2021/1153 should be amended to allow for combinations of support under those Regulations and the EU guarantee under this Regulation.

(11) Since the objectives of this Regulation, namely to address Union-wide and Member State specific market failures and the investment gap within the Union, to accelerate the Union's green and digital transition, enhance its competitiveness and strengthen its industrial base cannot be sufficiently achieved by the Member States, but can be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

*Article 1*

***Amendments to Regulation (EU) 2021/523 [InvestEU Regulation]***

Regulation (EU) 2021/523 is amended as follows:

(1) In Article 1, the first paragraph is replaced by the following:

'This Regulation establishes the InvestEU Fund, which shall provide for an EU guarantee and an InvestEU financial instrument to support financing and investment operations carried out by the implementing partners that contribute to objectives of the Union's internal policies.';

(2) Article 2 is amended as follows:

(a) points (3), (4) and (5) are replaced by the following:

'(3) 'policy window' means a targeted area for support by the EU guarantee or the InvestEU financial instrument as laid down in Article 8(1);'

(4) 'compartment' means a part of the support provided under the InvestEU Fund defined in terms of the origin of the resources backing it;'

(5) 'blending operation' means, under the EU compartment, an operation supported by the Union budget that combines non-repayable forms of support, repayable forms of support, or both, from the Union budget with repayable forms of support from development or other public finance institutions, or from commercial finance institutions and investors; for the purposes of this definition, Union programmes financed from sources other than the Union budget, such as the EU ETS Innovation Fund, may be assimilated to Union programmes financed by the Union budget;';

(b) point (8) is replaced by the following:

'(8) 'contribution agreement' means a legal instrument whereby the Commission and one or more Member States specify the conditions for the implementation of the contribution under the Member State compartment, as laid down in Articles 10 and 10a, respectively;';

(c) points (10) and (11) are replaced by the following:

'(10) 'financing and investment operations' or 'financing or investment operations' means operations to provide finance directly or indirectly to final recipients through financial products:

(a) in the context of the EU guarantee, carried out by an implementing partner in its own name, provided by the implementing partner in accordance with its internal rules, policies and procedures and accounted for in the implementing partner's financial statements or, where applicable, disclosed in the notes to those financial statements;

(b) in the context of the InvestEU financial instrument, carried out by the implementing partner in its own name or in its own name but on behalf of the Commission, as applicable;

(11) 'funds under shared management' means funds that provide for the possibility of allocating a portion of those funds to the provisioning for a budgetary guarantee or to a financial instrument under the Member State compartment of the InvestEU Fund, namely the European Regional Development Fund (ERDF) and the Cohesion Fund established by Regulation (EU) 2021/1058 of the European Parliament and of the Council[12], the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council[13] (the 'ESF+ Regulation for 2021-2027'), the European Maritime, Fisheries and Aquaculture Fund (EMFAF) established by Regulation (EU) 2021/1139 of the European Parliament and of the Council[14] and the European Agriculture Fund for Rural Development (EAFRD) established by Regulation (EU) 2021/2115 of the European Parliament and of the Council[15] (the 'CAP Strategic Plans Regulation');';

(d) point 12 is replaced by the following:

'(12) 'guarantee agreement' means a legal instrument whereby the Commission and an implementing partner specify the conditions for proposing financing and investment operations in order for them to be granted the benefit of the EU guarantee and/or of the InvestEU financial instrument, for providing the EU guarantee or support through the InvestEU financial instrument for those operations and for implementing them in accordance with this Regulation;';

(e) point 21 is replaced by the following:

'(21) 'small and medium-sized enterprise' ('SME') means (a) in case of financial products not conferring advantage in State aid terms, an enterprise which, according to its last annual or consolidated accounts, employs an average number of employees during the financial year of less than 250, or (b) in case of other types of financial products, a micro, small or medium-sized enterprise within the meaning of the Annex to Commission

12 Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60).

13 Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) 1296/2013 (OJ L 231, 30.6.2021, p. 21).

14 Regulation (EU) 2021/1139 of the European Parliament and of the Council of 7 July 2021 establishing the European Maritime, Fisheries and Aquaculture Fund and amending Regulation (EU) 2017/1004 (OJ L 247, 13.7.2021, p. 1).

15 Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 (OJ L 435, 6.12.2021, p. 1).

Recommendation 2003/361/EC[16] or as otherwise defined in the guarantee agreement;';

(f) the following point 24 is added:

'(24) 'InvestEU financial instrument' means a measure defined in Article 2, point (30), of the Financial Regulation to be implemented under the Member State compartment of the InvestEU Fund.';

(3) Article 4 is amended as follows:

(a) paragraph 1 is amended as follows:

(i) in the first subparagraph, the first sentence is replaced by the following:

'The EU guarantee for the purposes of the EU compartment referred to in point (a) of Article 9(1) shall be EUR 28 652 310 073 in current prices.';

(ii) the second subparagraph is replaced by the following:

'An additional amount of the EU guarantee may be provided for the purposes of the Member State compartment referred to in point (b) of Article 9(1) of this Regulation, subject to the allocation by Member States, pursuant to Article 14 of Regulation (EU) 2021/1060 of the European Parliament and of the Council [(17)] (the 'Common Provisions Regulation for 2021-2027') and Article 81 of the CAP Strategic Plans Regulation, of the corresponding amounts.';

(b) in paragraph 2, the second subparagraph is replaced by the following:

'An amount of EUR 13 827 310 073 in current prices of the amount referred to in the first subparagraph of paragraph 1 of this Article shall be allocated for the objectives referred to in Article 3(2).';

(4) in Article 6(1), the first sentence is replaced by the following:

'The EU guarantee and the InvestEU financial instrument shall be implemented in indirect management with the bodies referred to in points (c)(ii), (c)(iii), (c)(v) and (c)(vi) of Article 62(1) of the Financial Regulation.';

(5) Article 7 is amended as follows:

(a) The title is replaced by the following:

'Combinations'

(b) paragraph 1 is replaced by the following:

'Support from the EU guarantee under this Regulation, Union support provided through the financial instruments established by the programmes in the programming period 2014-2020 and Union support from the EU guarantee established by Regulation (EU) 2015/1017 may be combined to support

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16 Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

17 Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159).

financial products or portfolios implemented or to be implemented by the EIB or the EIF under this Regulation.';

(c) paragraph 4 is replaced by the following:

'Support from the EU guarantee under this Regulation, Union support provided through the guarantee under the financial instruments established by the programmes in the programming period 2014-2020 and released from the operations approved under these instruments and Union support provided through the EU guarantee established by Regulation (EU) 2015/1017 and released from operations approved under that EU guarantee may be combined to support financial products or portfolios containing exclusively financing and investment operations eligible under this Regulation, implemented or to be implemented by the EIB or the EIF under this Regulation.';

(d) the following paragraphs 5, 6 and 7 are added:

'5. By derogation from Article 212(3), second subparagraph of the Financial Regulation, the released guarantee under the financial instruments established by the programmes in the programming period 2014-2020 may be used for covering financing and investment operations eligible under this Regulation for the purpose of the combination referred to in paragraph 4.

6. By derogation from Article 216(4), point (a) of the Financial Regulation, the provisioning corresponding to the released guarantee under the Union support from the EU guarantee established by Regulation (EU) 2015/1017 may not be taken into account for the purpose of operations referred to in Article 216(4) of the Financial Regulation and may be used for covering financing and investment operations eligible under this Regulation for the purpose of the combination referred to in paragraph 4.

7. The release of the guarantee under the financial instruments established by the programmes in the programming period 2014-2020, the transfer of corresponding assets from fiduciary accounts to Common Provisioning Fund and the release of the guarantee under the Union support from the EU guarantee established by Regulation (EU) 2015/1017 referred to in paragraph 4 shall take place by an amendment of the relevant agreements signed between the Commission and the EIB or the EIF.

The conditions of the use of the released guarantees referred to in the first subparagraph, to cover financing and investment operations eligible under this Regulation, and where relevant, the transfer of corresponding assets from fiduciary accounts to the Common Provisioning Fund, shall be set out in the guarantee agreement referred to in Article 17.

The terms and conditions of the financial products referred to in paragraphs 1 and 4 of this Article and of the portfolios concerned, including the respective pro rata shares of losses, revenues, repayments and recoveries or the respective non pro rata shares in accordance with the second subparagraph of paragraph 3, shall be set out in the guarantee agreement referred to in Article 17.';

(6) In Article 8(8), the second subparagraph is replaced by the following:

'The Commission, together with implementing partners, shall seek to ensure that the part of the EU guarantee under the EU compartment used for the sustainable infrastructure policy window is distributed with the aim of achieving a balance between the different areas referred to in point (a) of paragraph 1.';

(7) In Article 9(1), point (b) is replaced by the following:

'(b) the Member State compartment shall address specific market failures or suboptimal investment situations in one or several regions or Member States to deliver the policy objectives of the contributing funds under shared management or of the additional amount provided by a Member State under Article 4(1), third subparagraph, or under Article 10a(1), second subparagraph, in particular to strengthen economic, social and territorial cohesion in the Union by addressing imbalances between its regions.';

(8) Article 10 is amended as follows:

(a) the title is replaced by the following:

'Specific provisions applicable to the EU Guarantee implemented under the Member State compartment';

(b) in paragraph 2, the fourth subparagraph is replaced by the following:

'The Member State and the Commission shall conclude a contribution agreement or an amendment to it following the Commission Decision approving the Partnership Agreement pursuant to the Common Provisions Regulation for 2021-2027 or the CAP Strategic Plan under the CAP Strategic Plans Regulation or simultaneously to the Commission Decision amending a programme in accordance with the Common Provisions Regulation for 2021-2027 or a CAP Strategic Plan in accordance with the provisions on the amendment to the CAP Strategic Plan laid down in the CAP Strategic Plans Regulation.';

(c) in paragraph 3, point (b) is replaced by the following:

'(b) the Member State strategy, consisting of the type of financing, the target leverage, the geographical coverage, including regional coverage if necessary, types of projects, the investment period and, where applicable, the categories of final recipients and of eligible intermediaries;';

(9) The following Article 10a is inserted:

*'Article 10a*

**Specific provisions applicable to the InvestEU financial instrument implemented under the Member State compartment**

1. A Member State may contribute amounts from the funds under shared management to the Member State compartment of the InvestEU Fund in view of deploying them through the InvestEU financial instrument.

Member States may also provide additional amounts for the purposes of the InvestEU financial instrument. Such amounts shall constitute an external assigned revenue in accordance with Article 21(5), second sentence of the Financial Regulation.

Amounts allocated by a Member State on a voluntary basis pursuant to the first and second subparagraph shall be used for supporting financing and investment operations in the Member State concerned. Those amounts shall be used to contribute to the achievement of the policy objectives specified in the Partnership Agreement referred to in Article 11(1)(a) of the Common Provisions Regulation for 2021-2027, in the programmes or in the CAP Strategic Plan which contribute to the InvestEU Programme, in order to implement relevant measures set out in the recovery and resilience plans in accordance with Regulation (EU) 2021/241 or, in other cases, for the purposes laid down in the contribution agreement, depending on the origin of the amount contributed.

2. Contribution to the InvestEU financial instrument shall be subject to the conclusion of a contribution agreement between a Member State and the Commission, which for the contributions from funds under shared management shall be done in accordance with Article 10(2), fourth subparagraph.

Two or more Member States may conclude a joint contribution agreement with the Commission.

3. The contribution agreement shall at least contain the amount of the contribution by the Member State and the currency of the financing and investment operations, provisions on the Union remuneration for the InvestEU financial instrument, the elements set out in points (b) to (e) and (g) of Article 10(3) and the treatment of resources generated by or attributable to the amounts contributed to the InvestEU financial instrument.

4. The contribution agreements shall be implemented through guarantee agreements concluded in accordance with Article 10(4), first subparagraph.

Where no guarantee agreement has been concluded within 12 months from the conclusion of the contribution agreement, the contribution agreement shall be terminated or prolonged by mutual agreement. Where the amount of a contribution agreement has not been fully committed under one or more guarantee agreements within 12 months from the conclusion of the contribution agreement, that amount shall be amended accordingly. The unused amount of a contribution from funds under shared management delivered through the InvestEU Programme shall be re-used in accordance with the respective Regulations. The unused amount of a contribution by a Member State under paragraph 1, second subparagraph, of this Article shall be paid back to the Member State.

Where a guarantee agreement has not been duly implemented within the period specified in Article 14(6) of the Common Provisions Regulation for 2021-2027 or Article 81(6) of the CAP Strategic Plans Regulation, or, in the case of a guarantee agreement related to amounts provided in accordance with paragraph 1, second subparagraph, of this Article, in the relevant contribution agreement, the contribution agreement shall be amended. The unused amounts allocated by Member States pursuant to the provisions on the use of the funds under shared management delivered through the InvestEU Programme shall be re-used in accordance with the respective Regulations. The unused amount of an InvestEU financial instrument attributable to the contribution by a Member State under paragraph 1, second subparagraph, of this Article shall be paid back to the Member State.

Resources generated by or attributable to the amounts contributed to the InvestEU financial instrument pursuant to the provisions on the use of the funds under shared management delivered through the InvestEU Programme shall be re-used in accordance with the respective Regulations. The resources generated by or attributable to the amounts contributed to the InvestEU financial instrument under paragraph 1, second subparagraph, of this Article shall be paid back to the Member State.

5. Contracts implementing the InvestEU financial instrument between the implementing partner and the final recipient or the financial intermediary or other entity referred to in Article 16(1), point (a), shall be signed by 31 December 2028.';

(10) the title of Chapter IV is replaced by the following:

‘EU guarantee and InvestEU financial instrument’;

(11) in Article 13(4), the first two sentences are replaced by the following:

‘75 % of the EU guarantee under the EU compartment as referred to in the first subparagraph of Article 4(1), amounting to EUR 21 489 232 555, shall be granted to the EIB Group. The EIB Group shall provide an aggregate financial contribution amounting to EUR 5 372 308 139.’;

(12) Article 16 is amended as follows:

(a) in paragraph 1, the second subparagraph is replaced by the following:

‘The InvestEU financial instrument may be used to provide funding to the implementing partners for the types of financing referred to in point (a) of the first subparagraph provided by the implementing partners.

In order to be covered by the EU guarantee or the InvestEU financial instrument, the financing referred to in the first and second subparagraph shall be granted, acquired or issued for the benefit of financing and investment operations referred to in Article 14(1), where the financing by the implementing partner was granted in accordance with a financing agreement or transaction signed or entered into by the implementing partner after the signature of the guarantee agreement and that has not expired or been cancelled.’;

(b) paragraph 2 is replaced by the following:

‘Financing and investment operations through funds or other intermediate structures shall be supported by the EU guarantee or the InvestEU financial instrument in accordance with the provisions laid down in the investment guidelines, as applicable, even if such structures invest a minority of their invested amounts outside the Union and in third countries referred to Article 14(2) or invest a minority of their invested amounts into assets other than those eligible under this Regulation.’;

(13) Article 17 is amended as follows:

(a) in paragraph 1, the first subparagraph is replaced by the following:

‘The Commission shall conclude a guarantee agreement with each implementing partner on the granting of the EU guarantee up to an amount to be determined by the Commission or on providing support under the InvestEU financial instrument.’;

(b) paragraph 2 is amended as follows:

(i) point (c) is replaced by the following:

‘(c) detailed rules on the provision of the EU guarantee or support under the InvestEU financial instrument in accordance with Article 19, including on the coverage of financing and investment operations or portfolios of specific types of instruments and the respective events that trigger possible calls on the EU guarantee or the use of the InvestEU financial instrument;';

(ii) point (f) is replaced by the following:

'(f) the commitment of the implementing partner to accept the decisions by the Commission and the Investment Committee as regards the use of the EU guarantee or of the InvestEU financial instrument for the benefit of a proposed financing or investment operation, without prejudice to the decision-making of the implementing partner in respect of the proposed financing or investment operation without the EU guarantee or the InvestEU financial instrument;';

(iii) points (h) and (i) are replaced by the following:

'(h) financial and operational reporting and monitoring of the financing and investment operations under the EU guarantee and the InvestEU financial instrument;

(i) key performance indicators, in particular as regards the use of the EU guarantee and the InvestEU financial instrument, the fulfilment of the objectives and criteria laid down in Articles 3, 8 and 14, and the mobilisation of private capital;';

(14) Article 18 is amended as follows:

(a) the title is replaced by the following:

'Requirements for the use of the EU guarantee and the InvestEU financial instrument';

(b) paragraph 1 is replaced by the following:

'1. The granting of the EU guarantee and the support from the InvestEU financial instrument shall be subject to the entry into force of the guarantee agreement with the relevant implementing partner.';

(c) paragraph 2 is replaced by the following:

'Financing and investment operations shall be covered by the EU guarantee or be supported through the InvestEU financial instrument only where they fulfil the criteria laid down in this Regulation and, if applicable, in the relevant investment guidelines, and where the Investment Committee has concluded that those operations fulfil the requirements for benefiting from the EU guarantee or the InvestEU financial instrument. The implementing partners shall remain responsible for ensuring that the financing and investment operations comply with this Regulation and the relevant investment guidelines.';

(d) paragraph 3 is amended as follows:

(i) the first sentence is replaced by the following:

'No administrative costs or fees related to the implementation of financing and investment operations under the EU guarantee or the InvestEU financial instrument shall be due to the implementing partner by the Commission unless the nature of the policy objectives targeted by the financial product to be implemented and the affordability for the targeted final recipients or the type of financing provided allow the implementing partner to duly justify to the Commission the need for an exception.’

(ii) the following second subparagraph is added:

‘Notwithstanding the first subparagraph, implementing partners are entitled to appropriate fees in relation to the management of fiduciary accounts relating to the InvestEU financial instrument.’

(e) paragraph 4 is replaced by the following:

‘In addition, the implementing partner may use the EU guarantee or the InvestEU financial instrument to meet the relevant share of any recovery costs in accordance with Article 17(4), unless those costs have been deducted from recovery proceeds.’;

(15) Article 19 is amended as follows:

(a) the title is replaced by the following:

‘Coverage and terms of the EU guarantee and of the InvestEU financial instrument’;

(b) paragraph 1 is amended as follows:

(i) the second sentence of the first subparagraph is replaced by the following:

‘The remuneration for the EU guarantee or for the InvestEU financial instrument may be reduced in the duly justified cases referred to in Article 13(2).’;

(ii) the second subparagraph is replaced by the following:

‘The implementing partner shall have appropriate exposure at its own risk to financing and investment operations supported by the EU guarantee or by the InvestEU financial instrument, unless exceptionally the policy objectives targeted by the financial product to be implemented are of such nature that the implementing partner could not reasonably contribute its own risk-bearing capacity to it.’;

(c) in paragraph 2, first subparagraph, point (a), the introductory sentence is replaced by the following:

‘for debt products referred to in point (a) of the first subparagraph of Article 16(1):’;

(d) the following paragraph 2a is inserted:

‘2a. The InvestEU financial instrument shall cover:

(a) for debt products consisting of guarantees and counter-guarantees referred to in point (a) of the first subparagraph of Article 16(1):

(i) the principal and all interest and amounts due to the implementing partner but not received by it in accordance with the terms of the financing operations prior to the event of default;

(ii) restructuring losses;

(iii) losses arising from fluctuations of currencies other than the euro in markets where possibilities for long-term hedging are limited;

(b) for other eligible types of financing referred to in point (a) of the first subparagraph of Article 16(1): the amounts invested or lent by the implementing partner;

For the purposes of point (a)(i) of the first subparagraph, for subordinated debt a deferral, reduction or required exit shall be considered to be an event of default.

The Invest EU financial instrument shall cover the entire exposure of the Union with respect to the relevant financing and investment operations.';

(16) in Article 22, paragraph 1 is replaced by the following:

'A scoreboard of indicators (the 'Scoreboard') shall be established to ensure that the Investment Committee is able to carry out an independent, transparent and harmonised assessment of requests for the use of the EU guarantee or, as applicable, the InvestEU financial instrument for financing and investment operations proposed by implementing partners.';

(17) in Article 23, paragraph 2 is replaced by the following:

'EIB financing and investment operations that fall within the scope of this Regulation shall not be covered by the EU guarantee or benefit from the InvestEU financial instrument where the Commission delivers an unfavourable opinion within the framework of the procedure provided for in Article 19 of the EIB Statute.';

(18) Article 24 is amended as follows:

(a) in paragraph 1, first subparagraph is amended as follows:

(i) point (a) is replaced by the following:

'(a) examine the proposals for financing and investment operations submitted by implementing partners for coverage under the EU guarantee **or** for support from the InvestEU financial instrument that have passed the policy check referred to in Article 23(1) of this Regulation or that have received a favourable opinion within the framework of the procedure provided for in Article 19 of the EIB Statute;';

(ii) point (c) is replaced by the following:

'(c) check whether the financing and investment operations that would benefit from the support under the EU guarantee or the InvestEU financial instrument comply with all relevant requirements.';

(b) in paragraph 4, second subparagraph, the last sentence is replaced by the following:

'Any project assessment conducted by an implementing partner shall not be binding on the Investment Committee for the purposes of granting a financing or investment operation coverage by the EU guarantee or support from the InvestEU financial instrument.';

(c) paragraph 5 is amended as follows:

(i) in the second subparagraph, the first sentence is replaced by the following:

'Conclusions of the Investment Committee approving the coverage of the EU guarantee or support from the InvestEU financial instrument for a financing or investment operation shall be publicly accessible and shall include the rationale for the approval and information on the operation, in particular its description, the identity of the promoters or financial intermediaries, and the objectives of the operation.';

(ii) in the fifth subparagraph, the second sentence is replaced by the following:

'That submission shall include any decisions rejecting the use of the EU guarantee or support from the InvestEU financial instrument.';

(d) in paragraph 6, the first sentence is replaced by the following:

'Where the Investment Committee is requested to approve the use of the EU guarantee or support from the InvestEU financial instrument for a financing or investment operation that is a facility, programme or structure which has underlying sub-projects, that approval shall comprise those underlying sub-projects unless the Investment Committee decides to retain the right to approve them separately.';

(19) in Article 25(2), point (c) is replaced by the following:

'(c) where appropriate, assist project promoters in developing their projects so that they fulfil the objectives set out in Articles 3 and 8 and the eligibility criteria set out in Article 14, and facilitate the development of among others important projects of common European interest and aggregators for small-sized projects, including through investment platforms as referred to in point (f) of this paragraph, provided that such assistance does not prejudge the conclusions of the Investment Committee with respect to the coverage of the EU guarantee or the InvestEU financial instrument with respect to such projects;';

(20) Article 28 is amended as follows:

(a) in paragraph 2, the following second subparagraph is added:

'Implementing partners shall be exempt from reporting on key performance and monitoring indicators laid down in Annex III, except those in points 1, 2, 5.2, 6.3 and 7.2, as far as financing or investments operations benefiting final recipients receiving financing or investment supported by the EU guarantee or by the InvestEU financial instrument from an implementing partner or a financial intermediary not exceeding EUR 100 000 are concerned.';

(b) paragraphs 3 and 4 are replaced by the following:

'3. The Commission shall report on the implementation of the InvestEU Programme in accordance with Articles 241 and 250 of the Financial Regulation. In accordance with Article 41(5) of the Financial Regulation, the annual report shall provide information on the level of implementation of the Programme with respect to its objectives and performance indicators. For that purpose, each implementing partner shall provide on an annual basis the information necessary to allow the Commission to comply with its reporting obligations, including information on the operation of the EU guarantee or the InvestEU financial instrument.'

4. Once a year, each implementing partner shall submit a report to the Commission on the financing and investment operations covered by this Regulation, broken down by EU compartment and Member State compartment, as appropriate. Each implementing partner shall also submit information on the Member State compartment to the Member State whose compartment it

implements. The report shall include an assessment of compliance with the requirements on the use of the EU guarantee and the Invest EU financial instrument and with the key performance indicators laid down in Annex III to this Regulation. The report shall also include operational, statistical, financial and accounting data on each financing or investment operation and an estimation of expected cash flows, at the level of compartment, policy window and the InvestEU Fund. The report may also include information on barriers to investment encountered when carrying out financing and investment operations covered by this Regulation. The reports shall contain the information the implementing partners have to provide under point (a) of Article 158(1) of the Financial Regulation.';

(21) Article 35 is amended as follows:

(a) the title is replaced by the following:

'Transitional and other provisions';

(b) in paragraph 2, the following second subparagraph is added:

'By way of derogation from Article 214(4)(d) of the Financial Regulation, any revenues from the EU guarantee established by Regulation (EU) 2015/1017 received in 2027 may be used for the provisioning of the EU guarantee under this Regulation.';

(22) Annex I is replaced by the following:

'ANNEX I

AMOUNTS OF EU GUARANTEE PER SPECIFIC OBJECTIVE

The indicative distribution referred to in the fourth subparagraph of Article 4(2) towards financial and investment operations shall be as follows:

(a) up to EUR 10 832 884 564 for objectives referred to in point (a) of Article 3(2);

(b) up to EUR 7 204 245 489 for objectives referred to in point (b) of Article 3(2);

(c) up to EUR 7 566 973 583 for objectives referred to in point (c) of Article 3(2);

(d) up to EUR 3 048 206 437 for objectives referred to in point (d) of Article 3(2).';

(23) In Annex III, the following two paragraphs are added in point 1 below point 1.4:

'By way of derogation from Article 2(40) of the Financial Regulation, when determining the leverage and multiplier effect for financing and investment operations providing performance guarantees, the amount of risk coverage shall be assimilated to the amount of reimbursable financing.

By way of derogation from Article 222(3) of the Financial Regulation, the financing and investment operations providing performance guarantees shall not be required to achieve multiplier effect.';

(24) In Annex V, the following paragraph is added:

'This Annex also applies to the InvestEU financial instrument.'

*Article 2*
***Amendments to Regulation 2015/1017 [EFSI Regulation]***

Regulation (EU) 2015/1017 is amended as follows:

(1) Article 11a is amended as follows:

(a) the title is replaced by the following:

‘Combinations’.

(b) the following second subparagraph is inserted:

‘The EU guarantee may be granted to cover financing and investment operations eligible under Regulation (EU) 2021/523 of the European Parliament and of the Council for the purposes of combinations referred to in Article 7(4) of that Regulation and it may cover losses in relation to financing and investment operations covered by the combined support.’;

(2) Article 16 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. The EIB, in cooperation with the EIF where appropriate, shall submit once a year a report to the Commission on EIB financing and investment operations covered by this Regulation. The report shall include an assessment of compliance with the requirements on the use of the EU guarantee and with the key performance indicators referred to in Article 4(2), point (f)(iv). The report shall also include statistical, financial and accounting data on each EIB financing and investment operation and on an aggregated basis.’;

(b) paragraph 2 is deleted;

(c) in paragraph 3, the following subparagraph is added:

‘In relation to the combinations referred to in Article 11a, the EIB and the EIF, respectively, shall provide the Commission annually with the financial statements in accordance with Article 212(4) of the Financial Regulation. Such financial statements shall include accounting data about the support provided by the EU guarantee under this Regulation clearly delineated from the support provided by the EU guarantee under Regulation (EU) 2021/523 of the European Parliament and of the Council.’;

(3) in Article 22(1), the fifth subparagraph is deleted.

*Article 3*
***Amendments to Regulation (EU) 2021/1153 [CEF]***

In Article 29 of Regulation (EU) 2021/1153, the following paragraph is added:

‘5. The guarantee supported by the Union budget and provided by the EIB through the CEF Debt Instrument established under Regulation (EU) 1316/2013 may be granted to cover financing and investment operations eligible under Regulation (EU) 2021/523 of the European Parliament and of the Council(*) for the purpose of combination referred to in Article 7 of that Regulation and may cover losses in relation to the financing and investment operations covered by the combined support.’;

(*) Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30, ELI: http://data.europa.eu/eli/reg/2021/523/oj)'.

*Article 4*

***Amendments to Regulation (EU) 2021/695 [Horizon Europe]***

In Article 57 of Regulation (EU) 2021/695, the following paragraph is added:

'3. The guarantee supported by the Union budget and provided by the EIB through the InnovFin Debt Facility established under Regulations (EU) 1290/2013 and 1291/2013 may be granted to cover financing and investment operations eligible under Regulation (EU) 2021/523 of the European Parliament and of the Council(*) for the purpose of combination referred to in Article 7 and may cover losses of the financial product containing the financing and investment operations and covered by the combined support.':

(*) Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30, ELI: http://data.europa.eu/eli/reg/2021/523/oj)'.

*Article 5*

***Entry into force***

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

| | |
|---|---|
| *For the European Parliament*<br>*The President* | *For the Council*<br>*The President* |

**LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT**

## 1. FRAMEWORK OF THE PROPOSAL

### 1.1. Title of the proposal

Proposal amending Regulation of the European Parliament and of the Council on amending Regulation (EU) 2021/523 [InvestEU Regulation] to increase the efficiency of the EU guarantee and to simplify reporting requirements and amending Regulations (EU) 2015/1017, (EU) 2021/1060 and (EU) 2021/2115

### 1.2. Policy area(s) concerned

Investments for EU policy priorities

Competitiveness Compass

Clean Industrial Deal

### 1.3. Objective(s)

*1.3.1. General objective(s)*

'A new plan for Europe's sustainable prosperity and competitiveness'

*1.3.2. Specific objective(s)*

1. '**Build a new Clean Industrial Deal**' & '**Turbo charge investment**':

By increasing the guarantee available under the InvestEU Fund and making it easier for Member States to contribute to and benefit from it, the proposal puts forward additional risk-sharing capacity:

- to diminish the market gap in investments in the Union and to attract private investment in support of the Union's policy priorities;

- to invest in clean energy infrastructure and technologies as well as in strategic tech sectors;

- for risk-absorbing measures to make it easier for commercial banks, investors and venture capital to finance sustainable, innovative and fast-growing companies.

2. '**Making business easier**':

By proposing several elements to simplify the implementation of the InvestEU programme, the proposal contributes to the objective of reducing administrative burden and reporting obligations by at least 25 % for all business and by 35 % for small and medium-sized enterprises (SMEs).

*1.3.3. Expected result(s) and impact*

The additional financing capacity provided through this proposal is expected to mobilise around EUR 50 billion of private and public investments under the current financing period. Around EUR 25 billion will be mobilised due to the increased amount of the EU guarantee of EUR 2.5 billion and another around EUR 25 billion will be mobilised through the enhanced guarantee capacity made available through combinations of support under InvestEU with legacy instruments managed by the European Investment Bank (EIB) and the European Investment Fund (EIF). The additional financing capacity will allow continuing the implementation of successful InvestEU financial products and will offer new guarantees for new or updated financial products addressing the most recent policy initiatives such as in the area of

Clean Industrial Deal or support to start-ups and scale-ups across digital and innovative sectors.

A significant part of such investment could target higher risk products and beneficiaries (e.g. thematic venture debt products of the EIB, equity and SME guarantees of the EIF) increasing therefore substantially the risk-bearing capacity of InvestEU. Further investment is expected to be mobilised under the Member State compartment if the changes proposed in the legislative proposal are implemented. The 25 % share of the increase of the EU guarantee of EUR 2.5 billion benefits also national promotional banks and international financial institutions who have access to it as implementing partners.

Moreover, the interim evaluation on the InvestEU programme recommended ensuring continuity in the financial products offered to the market and avoiding a stop-and-go situation, as this would create not only a gap in the much-needed Union support to policy priorities but would also add complexity to the financial intermediaries and final recipients. A number of financial products implemented by the EIB Group are already close to exhausting the EU guarantee allocated to them, while the most recent call for expression of interest for other implementing partners was heavily oversubscribed.

The reduction of administrative burden (mainly through simplified reporting requirements) is expected to be significant, with spillover effects of the proposals on the different actors (implementing partners, financial intermediaries, final recipients ) given the multilayered implementation structure of InvestEU.

*1.3.4. Indicators of performance*

Annex III to the InvestEU Regulation sets out the list of key performance and monitoring indicators, which will continue to be reported and monitored to measure both the overall volume of investment mobilised and the extent to which such investments cover the key policy areas identified.

In terms of overall investment mobilised, the InvestEU Fund is expected to mobilise EUR 372 billion which will be increased, under this proposal, to at least EUR 420 billion. The target for investments from implementing partners to meeting the Union objectives on climate and environment should be maintained at 60 % for the sustainable infrastructure policy window and 30 % for the InvestEU Fund overall, following the methodology described in the Commission Notice C(2021) 3316 final of 6/5/2021.

Concerning the impact in terms of simplification, the proposed simplification measures are expected to generate a total amount of around EUR 350 million of cost savings for implementing partners, financial intermediaries and final recipients throughout the duration of the relevant EU Programmes.

**1.4. The proposal/initiative relates to:**

☐ a new action

☐ a new action following a pilot project / preparatory action[18]

☒ the extension of an existing action

[18] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

☐ a merger or redirection of one or more actions towards another/a new action

## 1.5. Grounds for the proposal/initiative

### *1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

The implementation of the InvestEU programme is ongoing and addresses the investment needs in various key sectors, such as in new mobility models, renewable energies, energy efficiency, research and innovation, digitisation, education and skills, social economy and infrastructure, circular economy, natural capital, climate action or small and medium-sized businesses creation and growth (start-ups and scale-ups), related to the Union's long-term goals on competitiveness, sustainability and inclusive growth.

The proposal makes the implementation of the InvestEU programme more efficient to the benefit of the final recipients and the (intermediary) financiers while strengthening its ambition and capacity, including by attracting Member State contributions. It does not change the original timeline for the implementation of the programme which allows for the approval of new financing and investment operations until end-2027 and their signature until end-2028.

### *1.5.2. Added value of EU involvement*

Reasons for action at EU level (*ex ante*)

The proposal aims to strengthen the efficiency and effectiveness of the InvestEU programme. Since that is a Union programme set up in 2021 by the European Parliament and the Council under the InvestEU Regulation, any changes to it that may be needed and can only be affected by the Union.

Expected generated EU added value (*ex post*)

The InvestEU programme allows implementing partners to carry out financing and investment operations in targeted areas of strategic policy objectives of the Union. A multiplier effect is generated through attracting private and public investments, using, when appropriate, intermediation through financial institutions and funds. This helps address market failures and provide access to finance to businesses and projects that would otherwise not have found financing in reasonable terms and thereby raise overall investments in the Union and thus growth and employment. The proposal, addressing the lessons learnt from the InvestEU's interim evaluation (see below in point 1.5.3) will strengthen the programme and hence enhance its impact.

### *1.5.3. Lessons learnt from similar experiences in the past*

The InvestEU programme was subject to an interim evaluation in 2024, based on a study by an independent evaluator. It was found that under the InvestEU programme, implementing partners offer a comprehensive range of financing products to meet diverse market needs and that the programme was therefore crucial in addressing the Union's urgent, escalating as well as emerging investment needs. Implementing partners suggested reducing reporting obligations, taking into account that all of them (deploying the guarantee in indirect management) are pillar assessed financial institutions. Furthermore, it was found that the programme's budget was inadequate relative to the high demand and significant investment needs. Without budgetary reinforcements, new approvals for some policy priority products would cease post-2025.

*1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

The proposal is fully compatible with the multiannual financial framework for 2021–2027. The proposal envisages additional provisioning of EUR 1 billion in order to provide the necessary provisioning for an increase of the EU guarantee under the InvestEU Fund by EUR 2.5 billion. Neither a use of margins nor an amendment of the multiannual financial framework (MFF) is required. The increase of the EU guarantee is also fully consistent with a consideration of reaching the target InvestEU provisioning with lower contribution from fresh appropriations in 2026 and 2027.

The increase in provisioning by EUR 1 billion stems from reflows from legacy instruments and from surpluses in the Common Provisioning Fund relating to the European Fund for Strategic Investments (EFSI) compartment. Since the beginning of this MFF, reflows from financial instruments and the EFSI surpluses have been allocated to InvestEU and the Public Sector Loan Facility (PSLF). Based on reflow forecasts, EUR 250 million is earmarked for PSLF provisioning until end of this MFF.

At the same time, via combinations, the proposal also provides the legal basis for partially extending the use of three legacy guarantees (and their underlying provisioning) to the benefit of the InvestEU operations implemented by the EIB Group. The legacy instruments are EFSI, CEF Debt Instrument and InnovFin Debt Facility. This component will have a potential impact on the amount and on the time of availability for future expected reflows from legacy financial instruments and repayments of surpluses from the provisioning of EFSI.

*1.5.5. Assessment of the different available financing options, including scope for redeployment*

It is proposed to:

- increase the amount of authorised budgetary guarantee by deployment of expected reflows from legacy instruments and by EFSI surpluses to finance the corresponding additional provisioning of the InvestEU guarantee, allowing the EIB Group and other implementing partners to cover with additional EU guarantee new InvestEU operations.

- allow extending the use of two legacy financial instruments and EFSI guarantee (and the corresponding provisioning) to cover further InvestEU operations through the EIB Group, while generating reflows.

### 1.6. Duration of the proposal/initiative and of its financial impact

☒ **limited duration**

☒ in effect from date of adoption of the amendment to 12/2027

☒ financial impact from 2025 to 2027 for commitment appropriations and from 2025 to 2028 for payment appropriations for the provisioning of the EU guarantee. The financial impact of the combinations implies delayed and potentially reduced budget revenues (in relation to reflows from legacy financial instruments) and surpluses from the provisioning of EFSI.

☐ **unlimited duration**

Implementation with a start-up period from YYYY to YYYY,

followed by full-scale operation.

### 1.7. Method(s) of budget implementation planned[19]

☐ **Direct management** by the Commission

☐ by its departments, including by its staff in the Union delegations;

☐ by the executive agencies

☐ **Shared management** with the Member States

☒ **Indirect management** by entrusting budget implementation tasks to:

☐ third countries or the bodies they have designated

☒ international organisations and their agencies (e.g. European Bank for Reconstruction and Development, Nordic Investment Bank, Council of Europe Development Bank)

☒ the European Investment Bank and the European Investment Fund

☐ bodies referred to in Articles 70 and 71 of the Financial Regulation

☐ public law bodies

☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees

☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act

☒ bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate

[19] Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx.

financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

Comments

| |
|---|
| n/a |

## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

Implementing partners are required to report regularly to the Commission in line with the InvestEU Regulation and the Financial Regulation. The implementing partners also report on certain State aid relevant data. For monitoring, they are required to apply their own rules and procedures, which have been assessed in accordance with Article 157 of the Financial Regulation (‘pillar assessment’) as meeting the requirements laid down in that Article.

Concerning reporting on the InvestEU programme and EFSI, the proposal provides for the frequency of such reporting to be reduced from semi-annually to annually.

For the preparation of the Union’s annual financial statements, the InvestEU implementing partners – in line with Article 212(4) of the Financial Regulation - provide the Commission with the audited financial statements for the part of the budgetary guarantee that is granted to them. In case of combinations of the InvestEU Guarantee with other budgetary guarantees or with legacy financial instruments established by different legal bases, the audited financial statements will be provided by the implementing partner and will include information on the part of the guarantee supported by the legacy financial instruments or the other budgetary guarantee in a way that will allow for their distinction from the part of the guarantee supported by InvestEU Regulation in the Commission’s accounting in accordance with the applicable risk-sharing provisions structures.

### 2.2. Management and control system(s)

*2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

The EU guarantee under the InvestEU Fund is implemented exclusively in indirect management mode through implementing partners, which, as a rule, also contribute to the support to be provided to final recipients. The implementing partners consist of the EIB and the EIF, international financial institutions, national promotional banks and institutions and other financial intermediaries which are Union bodies, regulated and/or supervised as part of the banking sector.

The financing and investment operations benefiting from the support of the EU guarantee remain operations approved by the governing bodies of the implementing partners which have to apply their due diligence and control framework to these operations. The implementing partners provide annual audited financial statements to the Commission.

*2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The additional amount of authorised EU guarantee will be financed by provisions from expected reflows from legacy instruments and guarantees, partially already recovered or expected to be recovered by the Commission before the end of 2027.

The risk for the Union budget is linked to the budgetary guarantee provided by the Union to the implementing partners for their financing and investment operations. The EU guarantee provides an irrevocable, unconditional and on demand guarantee usually on a portfolio basis, for the operations covered. The Union budget and the implementing partner share the risk-related remuneration from the operations based on risk sharing structures defined in guarantee agreements.

The EU guarantee is restricted to EUR 28 652 310 073.

The budget entry ('p.m.') reflecting the budgetary guarantee for the implementing partner would be activated only in the case of an effective call on the guarantee which cannot be wholly covered by the provisioning until end-2030 (funded gradually with EUR 11 460 924 029). The provisioning rate of 40 % is based on the past experience with EFSI and financial instruments and tailored to the financial products implemented under InvestEU. The provisioning rate has been used as a reference in the *ex ante* risk assessments when allocating almost 90 % of the existing InvestEU guarantee.

The contingent liability in relation to the Member State compartment is covered in full by a back-to-back guarantee provided by each Member State concerned.

The proposed InvestEU financial instrument does not create contingent liability.

The financing and investment operations in the context of InvestEU are carried out according to the implementing partners' standard rules of procedure and sound banking practice. The implementing partners and the Commission enter into a guarantee agreement laying down the detailed provisions and procedures relating to the implementation of the InvestEU Fund.

Since the implementing partner, as a rule, bears part of the risk and provides a financial contribution, the interests of the Union and of the implementing partner are accordingly aligned which mitigate the risk to the Union budget. The implementing partners are also financial institutions with appropriate rules and procedures in place which are assessed through the pillar assessment in accordance with the Financial Regulation.

The Commission carries out a check of the policy compliance of operations which is then submitted to an Investment Committee composed of independent experts that grants the use of the EU guarantee or the InvestEU financial instrument.

The Commission receives annual audited financial statements covering the operations from the implementing partners.

*2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

This proposal does not impose any (new) controls. In the interest of simplification, it removes some reporting requirements specifically by reducing the frequency of reports to be submitted.

### 2.3. Measures to prevent fraud and irregularities

In line with the requirements of the InvestEU Regulation and the Financial Regulation, the selected implementing partners have to undergo the pillar assessment provided for in Article 157 of the Financial Regulation, which ensures a solid quality of the internal control as well as independent external audit systems. In addition, they have to meet the requirements of Title X of the Financial Regulation. Being financial institutions, the implementing partners have internal control frameworks in place. Since the InvestEU Fund provides repayable support, the due diligence and monitoring and controlling by the implementing partners is relied upon, unless weaknesses are identified in the pillar assessment. Article 30 of the InvestEU Regulation requires that audits on the use of the Union funding carried out by persons or entities, including by others than those mandated by the Union institutions or bodies, are to form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

## 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

Existing budget lines

*In order of multiannual financial framework headings and budget lines.*

| Heading of multiannual financial framework | Budget line | Type of expenditure | Contribution | | | |
|---|---|---|---|---|---|---|
| | 02.02.01 InvestEU Guarantee | Diff./Non-diff.[20] | from EFTA countries [21] | from candidate countries and potential candidates [22] | From other third countries | other assigned revenue |
| | 02.02.02 Provisioning of the InvestEU Guarantee | Non-diff. | NO | NO | NO | YES |

New budget lines requested

n/a

[20] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
[21] EFTA: European Free Trade Association.
[22] Candidate countries and, where applicable, potential candidates from the Western Balkans.

## 3.2. Estimated financial impact of the proposal on appropriations

### *3.2.1. Summary of estimated impact on operational appropriations*

☐ The proposal/initiative does not require the use of operational appropriations

☒ The proposal/initiative requires the use of operational appropriations, as explained below

#### *3.2.1.1. Appropriations from assigned revenues (see chapter 3.3)*

EUR million (to three decimal places)

| **Heading of multiannual financial framework** | 1 | |
|---|---|---|

| DG: GROW | | | | Year 2025 | Year 2026 | Year 2027 | **TOTAL MFF 2021-2027** |
|---|---|---|---|---|---|---|---|
| Operational appropriations | | | | | | | |
| 02.02.02 Provisioning of the InvestEU Guarantee | Commitments | (1a) | | 650 | 200 | 150 | **1000** |
| | Payments | (2a) | | 650 | 200 | 150 | **1000** |
| Appropriations of an administrative nature financed from the envelope of specific programmes[23] | | | | | | | |
| Budget line | | (3) | | | | | **0.000** |
| **TOTAL appropriations for DG GROW** | Commitments | =1a+1b+3 | | **650** | **200** | **150** | **1000** |
| | Payments | =2a+2b+3 | | **650** | **200** | **150** | **1000** |

| | | | | Year 2025 | Year 2026 | Year 2027 | **TOTAL MFF 2021-2027** |
|---|---|---|---|---|---|---|---|
| TOTAL operational appropriations | Commitments | (4) | | 650 | 200 | 150 | **1000** |
| | Payments | (5) | | 650 | 200 | 150 | **1000** |

23 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| TOTAL appropriations of an administrative nature financed from the envelope for specific programmes | | (6) | | 0.000 | 0.000 | 0.000 | **0.000** |
| **TOTAL appropriations under HEADING 1** of the multiannual financial framework | Commitments | =4+6 | | **650** | **200** | **150** | **1000** |
| | Payments | =5+6 | | **650** | **200** | **150** | **1000** |

| | | | | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021-2027** |
|---|---|---|---|---|---|---|---|
| • TOTAL operational appropriations (all operational headings) | Commitments | (4) | | 650 | 200 | 150 | **1000** |
| | Payments | (5) | | 650 | 200 | 150 | **1000** |
| • TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings) | | (6) | | 0.000 | 0.000 | 0.000 | **0.000** |
| **TOTAL appropriations Under Heading 1 to 6** of the multiannual financial framework (Reference amount) | Commitments | =4+6 | | **650** | **200** | **150** | **1000** |
| | Payments | =5+6 | | **650** | **200** | **150** | **1000** |

| | | |
|---|---|---|
| **Heading of multiannual financial framework** | **7** | ‘Administrative expenditure’[24] |

| | | | | | |
|---|---|---|---|---|---|
| DG: GROW | | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021-2027** |

24 The necessary appropriations should be determined using the annual average cost figures available on the appropriate BUDGpedia webpage.

| | | | | | | |
|---|---|---|---|---|---|---|
| • Human resources | | | 0.000 | 0.000 | 0.000 | **0.000** |
| • Other administrative expenditure | | | 0.000 | 0.000 | 0.000 | **0.000** |
| **TOTAL DG** GROW | Appropriations | | **0.000** | **0.000** | **0.000** | **0.000** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **TOTAL appropriations under HEADING 7 of the multiannual financial framework** | (Total commitments = Total payments) | | **0.000** | **0.000** | **0.000** | **0.000** |

EUR million (to three decimal places)

| | | | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021-2027** |
|---|---|---|---|---|---|---|
| **TOTAL appropriations under HEADINGS 1 to 7** | Commitments | | **650** | **200** | **150** | **1000** |
| of the multiannual financial framework | Payments | | **650** | **200** | **150** | **1000** |

*3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)*

Commitment appropriations in EUR million (to three decimal places)

| **Indicate objectives and outputs** ⇩ | | | | | Year **2025** | | Year **2026** | | Year **2027** | | Enter as many years as necessary to show the duration of the impact (see Section1.6) | | | | | | **TOTAL** | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **OUTPUTS** | | | | | | | | | | | | | | | | | |
| | Type[25] | Average cost | | | No | Cost | No | Cost | No | Cost | | | | | | | Total No | Total cost |
| SPECIFIC OBJECTIVE No 1[26] | | | | | | | | | | | | | | | | | | |

[25] Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ‘Build a new Clean Industrial Deal & Turbo charge investment’: | | | | | | | | | | | | | | | | | | |
| - Output | Addional investment of EUR 25 billion | | | | | 650 | | 200 | | 150 | | | | | | | 25000 | 1000 |
| Subtotal for specific objective No 1 | | | | | | 650 | | 200 | | 150 | | | | | | | 25000 | 1000 |
| SPECIFIC OBJECTIVE No 2 ‘Making business easier’ | | | | | | | | | | | | | | | | | | |
| - Output | Cost savings from reduction of reports to be produced by implementing partners, financial intermediaries and final recipients | | | | | 0 | | 0 | | 0 | | | | | | | | |
| Subtotal for specific objective No 2 | | | | | | 0 | | 0 | | 0 | | | | | | | 350 | |
| **TOTALS** | | | | | | 650 | | 200 | | 150 | | | | | | | | 1000 |

26 As described in Section 1.3.2. ‘Specific objective(s)’

*3.2.3. Summary of estimated impact on administrative appropriations*

☒ The proposal/initiative does not require the use of appropriations of an administrative nature

☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

*3.2.3.1. Appropriations from voted budget*

| VOTED APPROPRIATIONS | Year 2024 | Year 2025 | Year 2026 | Year 2027 | TOTAL 2021 - 2027 |
|---|---|---|---|---|---|
| **HEADING 7** | | | | | |
| Human resources | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** |
| Other administrative expenditure | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** |
| **Subtotal HEADING 7** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
| **Outside HEADING 7** | | | | | |
| Human resources | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** |
| Other expenditure of an administrative nature | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** |
| **Subtotal outside HEADING 7** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
| | | | | | |
| **TOTAL** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to the management of the action and/or have been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

*3.2.4. Estimated requirements of human resources*

☐ The proposal/initiative does not require the use of human resources

☒ The proposal/initiative requires the use of human resources, as explained below

*3.2.4.1. Financed from voted budget*

*Estimate to be expressed in full-time equivalent units (FTEs)*[27]

| VOTED APPROPRIATIONS | Year 2024 | Year 2025 | Year 2026 | Year 2027 |
|---|---|---|---|---|
| **• Establishment plan posts (officials and temporary staff)** | | | | |
| 20 01 02 01 (Headquarters and Commission's Representation Offices) | 0 | 0 | 0 | 0 |
| 20 01 02 03 (EU Delegations) | 0 | 0 | 0 | 0 |
| 01 01 01 01 (Indirect research) | 0 | 0 | 0 | 0 |
| 01 01 01 11 (Direct research) | 0 | 0 | 0 | 0 |
| Other budget lines (specify) | 0 | 0 | 0 | 0 |
| **• External staff (in FTEs)** | | | | |
| 20 02 01 (AC, END from the 'global envelope') | 0 | 0 | 0 | 0 |

[27] Please specify below the table how many FTEs within the number indicated are already assigned to the management of the action and/or can be redeployed within your DG and what are your net needs.

| | | | | | |
|---|---|---|---|---|---|
| 20 02 03 (AC, AL, END and JPD in the EU Delegations) | | 0 | 0 | 0 | 0 |
| Admin. Support line [XX.01.YY.YY] | - at Headquarters | 0 | 0 | 0 | 0 |
| | - in EU Delegations | 0 | 0 | 0 | 0 |
| 01 01 01 02 (AC, END - Indirect research) | | 0 | 0 | 0 | 0 |
| 01 01 01 12 (AC, END - Direct research) | | 0 | 0 | 0 | 0 |
| Other budget lines (specify) - Heading 7 | | 0 | 0 | 0 | 0 |
| Other budget lines (specify) - Outside Heading 7 | | 0 | 0 | 0 | 0 |
| **TOTAL** | | **0** | **0** | **0** | **0** |

Considering the overall strained situation in Heading 7, in terms of both staffing and the level of appropriations, the human resources required will be met by staff from the DG who are already assigned to the management of the action and/or have been redeployed within the DG or other Commission services.

### *3.2.5. Overview of estimated impact on digital technology-related investments*

| **TOTAL Digital and IT appropriations** | Year **2024** | Year **2025** | Year **2026** | Year **2027** | **TOTAL MFF 2021 - 2027** |
|---|---|---|---|---|---|
| **HEADING 7** | | | | | |
| IT expenditure (corporate) | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** |
| **Subtotal HEADING 7** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
| **Outside HEADING 7** | | | | | |
| Policy IT expenditure on operational programmes | 0.000 | 0.000 | 0.000 | 0.000 | **0.000** |
| **Subtotal outside HEADING 7** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |
| | | | | | |
| **TOTAL** | **0.000** | **0.000** | **0.000** | **0.000** | **0.000** |

### *3.2.6. Compatibility with the current multiannual financial framework*

The proposal/initiative:

☒ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

This proposal will be financed through assigned revenues from reflows generated by legacy financial instruments as well as from EFSI surpluses.

No additional Union budgetary resources neither reprogramming will be needed for this proposal.

☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

☐ requires a revision of the MFF

### *3.2.7. Third-party contributions*

The proposal/initiative:

☒ does not provide for co-financing by third parties

☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

| | Year **2024** | Year **2025** | Year **2026** | Year **2027** | Total |
|---|---|---|---|---|---|
| Specify the co-financing body | | | | | |
| TOTAL appropriations co-financed | | | | | |

### 3.3. Estimated impact on revenue

☐ The proposal/initiative has no financial impact on revenue.

☒ The proposal/initiative has the following financial impact:

- ☐ on own resources
- ☐ on other revenue
- ☒ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

| Budget revenue line: | Appropriations available for the current financial year (2025) | Impact of the proposal/initiative[28] | |
|---|---|---|---|
| | | Year **2026** | Year **2027** |
| 6 4 1 (Contributions from financial instruments — Assigned revenue) | 650 | 200 | 150 |

For assigned revenue, specify the budget expenditure line(s) affected.

| |
|---|
| 02.02.02 Provisioning of the InvestEU Guarantee |

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

The proposal requires the Commission to allocate EUR 1 billion of reflows from the programmes in Annex IV to the InvestEU Regulation and from EFSI surpluses to the provisioning of the EU guarantee in order to increase it by EUR 2.5 billion.

The additional financial liability of the Union of EUR 2.5 billion is therefore underpinned with the corresponding provisioning of EUR 1 billion that originates from reflows recovered or guarantee released from the EIB Group as detailed below:

- Up to EUR 700 million from the EFSI surpluses in 2025 to 2027.

- At least EUR 300 million from reflows from legacy financial instruments listed in Annex IV to the InvestEU Regulation.

[28] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.

## 4. DIGITAL DIMENSIONS

| |
|---|
| Regulation (EU) 2024/903 of the European Parliament and of the Council of 13 March 2024 laying down measures for a high level of public sector interoperability across the Union is not applicable to this proposal. |

### 4.1. Requirements of digital relevance

| |
|---|
| The proposal is assessed as having no requirement of digital relevance, since it does not produce or require new data series in comparison to the InvestEU Regulation. To the extent that it allows for new investment and financing operations to be supported by the InvestEU Fund, existing indicators as well as reporting and monitoring systems are to be used to track impact and performance. |

### 4.2. Data

| |
|---|
| n/a (see 4.1. above) |

### 4.3. Digital solutions

| |
|---|
| n/a (see 4.1. above) |

### 4.4. Interoperability assessment

| |
|---|
| n/a (see 4.1. above) |

### 4.5. Measures to support digital implementation

| |
|---|
| n/a (see 4.1. above) |