

# DRAFT GENERAL BUDGET OF THE EUROPEAN UNION

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Working Document Part X

*#EUBudget*

**2026**  
**FINANCIAL**  
**YEAR**

Financial instruments

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# DRAFT GENERAL BUDGET of the European Union for the financial year 2026

## Working Document Part X

**Draft General Budget  
of the European Union  
for the Financial Year 2026**

**Working Document Part X**

**Financial Instruments**

## Draft Budget Working Documents

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The 2026 Draft Budget is accompanied by twelve ‘Working Documents’, as follows:

### **Part I: Programme Performance Statements of operational expenditure**

Working Document I contains, pursuant to Article 41(3)(h) of the Financial Regulation, the Programme Performance Statements, which provide for each spending programme comprehensive information on the financial implementation and progress in achieving the programme objectives as of the end 2024.

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

Working Document II presents information on the human resources of the EU institutions and executive agencies, and in particular for the Commission, both for the establishment plans and for external personnel and across all headings of the multiannual financial framework. Moreover, pursuant to Article 41(3)(b) of the Financial Regulation, it provides a summary table for the period 2023 – 2026 which shows the number of full-time equivalents for each category of staff and the related appropriations for all institutions and bodies referred to in Article 70 of the Financial Regulation.

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

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

### **Part IV: Pilot projects and preparatory actions**

Working Document IV presents information on all pilot projects and preparatory actions which have budget appropriations (commitments and/or payments) in the 2026 Draft Budget, pursuant to Article 41(3)(f) of the Financial Regulation.

### **Part V: Budget implementation and assigned revenue**

Working Document V presents the budget implementation forecast for 2025, information on assigned revenue (implementation in 2024 and estimation for 2026) and a progress report on outstanding commitments (RAL) pursuant to Article 41(3)(d) of the Financial Regulation.

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

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

### **Part VII: Commission buildings**

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

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

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

### **Part IX: Funding to international organisations**

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

### **Part X: Financial Instruments**

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

### **Part XI: Budgetary Guarantees and Contingent Liabilities**

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

### **Part XII: Payment schedules**

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

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## Introduction

In accordance with Article 41(4) of the Financial Regulation<sup>1</sup> ('FR'), where the Commission makes use of financial instruments it must attach to the draft budget a working document presenting information for each financial instrument.

This is the seventh edition of the Article 41(4) FR report and it covers the whole implementation period (from inception until 31 December 2024) of financial instruments funded by the general budget of the Union<sup>2</sup> and implemented by the Commission (directly and indirectly<sup>3</sup>) in internal and external policies. Financial instruments implemented within the framework of a budgetary guarantee are reported in Working Document XI: Budgetary Guarantees, Common Provisioning Fund and Contingent Liabilities pursuant to Article 41(5) FR<sup>4</sup>.

The report covers financial instruments implementing both internal (i.e., benefiting final recipients predominantly located in the EU) and external policies (i.e., benefiting final recipients predominantly located outside the EU).

The information on financial instruments included in this report is divided in five main headings reflecting the following policy areas: A) Infrastructure & Climate Change; B) Research & Innovation; C) Social & Education; D) SMEs and E) External Policies.

Information on each financial instrument is organised by chapters within each heading, and each chapter includes the three following sections:

- Description.
- Operational Performance.
- Financial Information.

Each section covers the requirements of Article 41(4) FR as follows:

### **Description - Items of Article 41(4) FR covered:**

(a): general description of the instrument, basic act, impact on the EU budget, added value of the EU contribution.

(b): financial institutions involved in implementation.

### **Operational Performance - Items of Article 41(4) FR covered:**

(c): contribution to the achievements of the objectives of the programme, geographical diversification.

(d): operations, target volumes, target leverage.

(k): performance of the financial instrument, investments realised, leverage and multiplier effects.

<sup>1</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast).

<sup>2</sup> This report covers financial instruments established from the 2007-2013 Multi-Annual Financial Framework onwards. Financial instruments financed exclusively by the European Development Fund or other external sources are not included in this report.

<sup>3</sup> Within the meaning of Article 62(1)(a) and (c) FR (financial instruments implemented in shared management, including contributions from shared management funds to financial instruments implemented in direct/indirect management, are reported in accordance with the relevant sector-specific rules).

<sup>4</sup> Blending operations including contribution from a financial instrument to the framework providing budgetary guarantee are reported in Working Document XI (41(5) FR report) no matter whether there is combination or not of that contribution with the EU guarantee under that framework. This is because the framework providing the budgetary guarantee is the main instrument to which the other forms of support are linked to and are delivered through.



## Financial information - Items of Article 41(4) FR covered:

(e): budget lines, aggregated budgetary commitments and payments.

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

(g): revenue and repayments under article 212(3) FR, presented separately, including an evaluation of their use.

(h): value of equity investments, with respect to preceding years.

(i): provisions for risk and liabilities, financial risk exposure.

(j): realised losses from assets and called guarantees.

(l): balance on fiduciary account.

The table below summarises the financial instruments included in this report<sup>5</sup>.

LIST OF FINANCIAL INSTRUMENTS 41(4) FR REPORT					
Financial Instrument		Policy DG	Financial Instrument		Policy DG
Internal Policies - Infrastructure & Climate Change			Internal Policies - SMEs		
1.1	Connecting Europe Broadband Fund (CEBF) – CEF Equity Instrument	CNECT	4.1	COSME Loan Guarantee Facility (LGF)	GROW
			4.2	COSME Equity Facility for Growth (EFG)	GROW
1.2	Connecting Europe Facility (CEF) – Debt Instrument	CNECT, MOVE, ENER	4.3	Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee)	RTD
1.3	Private Finance for Energy Efficiency Instrument (PF4EE)	CLIMA	4.4	Horizon 2020 Equity Facility for R&I (InnovFin Equity)	RTD
1.4	Natural Capital Financing Facility (NCFF)	ENV	4.5	European Innovation Council (EIC) Fund	RTD
1.5	European Energy Efficiency Fund (EEEF)	ENER	4.6	Cultural and Creative Sectors Guarantee Facility (CCS GF)	CNECT
1.6	2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite Fund)	GROW	4.7	SME Guarantee Facility under CIP (SMEG 2007)	GROW
			4.8	High Growth and Innovative SME Equity Facility under CIP (GIF)	GROW
Internal Policies - Research & Innovation			4.9	SME Initiative	GROW, RTD, REGIO
2.1	Horizon 2020 Loan Services for R&I Facility (InnovFin Debt)	RTD	External Policies		
2.2	Risk-Sharing Finance Facility (RSFF) and Pilot guarantee facility for R&I driven SMEs and Small Midcaps (RSI)	RTD	5.1	Western Balkans Investment Framework (WBIF)	ENEST
Internal Policies - Social & Education			5.2	Global Energy Efficiency and Renewable Energy Fund (GEEREF)	INTPA
3.1.a	Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantee (EaSI-G)	EMPL	5.3	Facility for Euro-Mediterranean Investment and Partnership (FEMIP) – Debt Instrument	MENA
			5.4	ACP Trust Fund	INTPA
3.1.b	Employment and Social Innovation Capacity Building Investments (EaSI CBI)	EMPL	5.5	EU support to Ukrainian Micro, Small and Medium-Sized Enterprises (top-up)	ENEST
			6.1	Neighbourhood Investment Platform (NIP)	ENEST, MENA

<sup>5</sup> The indicated policy Directorates-General (DGs) are the responsible ones at the reporting date. In 2025, due to a reorganisation of the Commission, DG NEAR is now replaced by DG MENA (Directorate-General for Middle East, North Africa, Gulf) and DG ENEST (Directorate-General for Enlargement and Eastern Neighbourhood). In addition, financial instruments under the responsibility of DG ECFIN are now under the responsibility of DG GROW.

LIST OF FINANCIAL INSTRUMENTS 41(4) FR REPORT					
Financial Instrument		Policy DG		Financial Instrument	Policy DG
3.2	Employment and Social Innovation Sub-Fund (EaSI FIS)	EMPL	6.2	Investment Facility for Central Asia (IFCA) & Asian Investment Facility (AIF) & Asia Pacific Investment Facility (APIF)	INTPA
			6.3	Latin America Investment Facility (LAIF) and Latin America and Caribbean Investment Facility (LACIF)	INTPA
3.3	Erasmus+ Student Loan Guarantee Facility (SLGF)	EAC	6.4	Thematic Blending (Energy, Food, Humanitarian, Environment)	INTPA

A detailed list of all financial instruments included in this report<sup>6</sup> and summary tables aggregating financial information are included in the annexes to this report:

- Annex I (detailed list of all financial instruments),
- Annex II (aggregated financial information for all financial instruments),
- Annex III (aggregated financial information per implementing partner/managing party) and
- Annex IV (aggregated financial information per policy area).

<sup>6</sup> In relation to last year's 41(4) FR report, six new financial instruments are included in this 41(4) FR report. They are included in heading E) External Policies: 5.1 GGF II - Promoting Green Lending in the Western Balkans; 5.5 EU support to Ukrainian Micro, Small and Medium-Sized Enterprises (top-up); 6.1 Palestine Financial Sustainability Initiative Part I; 6.1 Social Entrepreneurship Fund (SEF); 6.2 Kuali Fund India and 6.3 Kuali Fund- Multi Regional LAC.

## Overview

This report presents the operational and financial results in the implementation of the 86 financial instruments<sup>7</sup> of the Union in place at the end of 2024.

As regards **internal policies**, this report presents 21 financial instruments<sup>8</sup>, from chapters 1 to 4, whose final recipients are predominantly located in the EU. These chapters are divided in 4 main headings reflecting the following policy areas: Infrastructure & Climate Change, Research & Innovation, Social & Education and SME support.

As regards **external policies**, this report presents 65 financial instruments, from chapters 5 to 6, whose final recipients are predominantly located outside the EU. Out of these 65 financial instruments, 61 are part of 5 geographic and/or thematic blending facilities/platforms (chapter 5.1 and chapters 6.1 to 6.4). The financial instruments in external policies provide support in different policy areas such as transport, energy, and environmental infrastructures; climate change, urban development, agriculture and SME support.

This report also allows for monitoring the operational efficiency of financial instruments. As a tool for financing EU policies, financial instruments address market failures (e.g. where the private sector is unwilling to lend and/or to invest) while minimising market distortions and mobilising additional private (and public) financing. They support a broad range of development objectives to the benefit of a wide range of recipients.

Financial instruments are suitable for viable recipients and investments, i.e. those which are expected to generate enough cashflows (i.e. income or savings) to pay back the support received.

Financial instruments financed by the Union budget provide repayable support (as opposed to grants which provide non-repayable support) to final recipients and can take the form of (100% provisioned) guarantee, loan or equity instruments. As outlined in Article 213(1)(a) FR, the financial liability and aggregate net payments from the Union budget related to a financial instrument must not exceed the amount of the relevant budgetary commitment(s), hence there are never contingent liabilities for the Union budget. In other words, this means that the liabilities linked to financial instruments have a counterpart on the asset side of the balance sheet of the Union budget or are covered by the outstanding budgetary commitments not yet expensed<sup>9</sup>.

Typically, the implementation of financial instruments is entrusted by the Commission to either the EIB Group (EIB/EIF) or to other financial institutions based on agreements concluded between the Commission and those financial institutions. The agreements signed with these implementing partners/entrusted entities include strict conditions and obligations so as to ensure that Union funds are adequately implemented and reported on.

Once Union funds are committed to a financial instrument, the funds are transferred to a specifically created bank account opened by the implementing partners/entrusted entities on behalf of the Commission (i.e. a fiduciary account). Depending on the type of financial instrument, the implementing partners or entrusted entities use the funds on this fiduciary account to provide loans, invest in equity, or cover guarantee calls.

<sup>7</sup> Annex I presents a detailed list of all financial instruments included in this report.

<sup>8</sup> Including 4.9 SME Initiative which is a shared management financial instrument, although the focus in this report is on the indirect management Commission part, i.e., COSME LGF/InnovFin SMEG, whereby the report of the financial information regarding the EU level instruments that contribute to the SME Initiative is presented in chapters 4.1 COSME Loan Guarantee Facility (LGF) and 4.3 Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee) of this report.

<sup>9</sup> Financial instruments in the form of guarantees are classified as contingent liabilities in accordance with EU accounting rules. However, they are not a source of contingent liabilities from a budgetary perspective since the budget includes in all cases full provisioning for such financial instruments, i.e. the budget has set aside the maximum financial liability that can arise from each financial instrument.

Financial instruments are generally intended to finance riskier recipients and investments (e.g. who have difficulties in obtaining funding from private lenders or investors). Against this background, it is to be expected that financial instruments have to incur some losses.

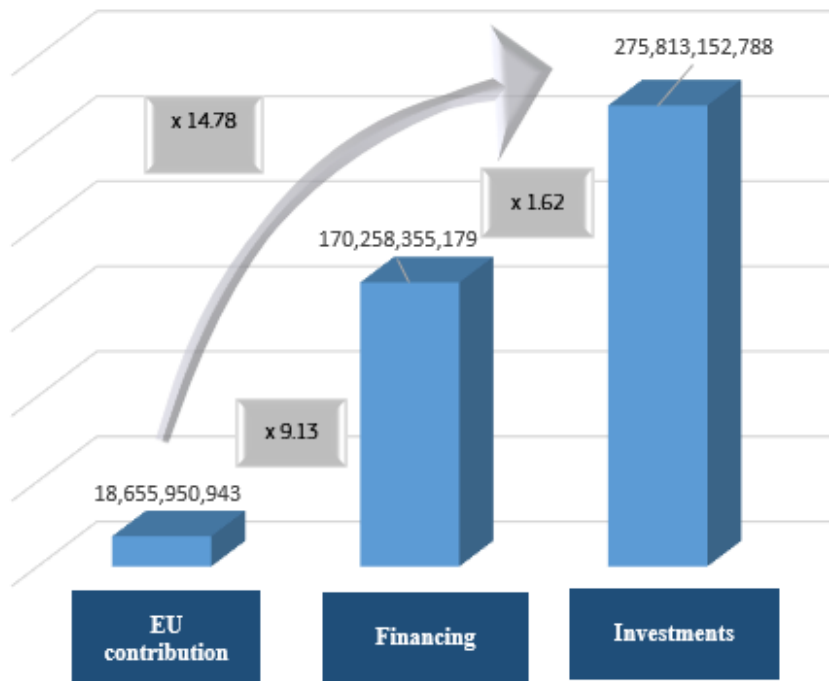
However, financial instruments also generate reflows (revenues<sup>10</sup> and repayments<sup>11</sup>) that have, as a general rule, to be entered into the Union budget<sup>12</sup>. Since most financial instruments relate to previous Multiannual Financial Frameworks ('MFF'), this report will focus to an important extent on these reflows, in particular on the ones which are earmarked to finance the Public Sector Loan Facility and the provisioning of the EU guarantee under InvestEU.

Financial instruments have in general a lifecycle spanning around 20 years, which suggests that their operational and financial results are only fully observable after an extended period. While considering that the financial instruments included in this report offer a variety of financial products from equity to debt (g loans and guarantees on loan portfolios); and that they relate to distinct MFFs, a number of consolidated figures is presented below to provide a snapshot of the situation at the end of 2024 and give an overview of the performance of the financial instruments in the different policy areas.

### Main facts and figures: performance, financing and investments

At the end of 2024, the **EU contribution committed** in all internal and external financial instruments amounted to EUR **18.66 bn**<sup>13</sup>. When adding to the EU contribution the **financing mobilised from other sources of EUR 151.6 bn**, financial instruments have allowed for **EUR 170.26 bn of financing provided to final recipients** (EUR 151.6 bn + EUR 18.66 bn).

The above means a **leverage effect of the EU intervention of around nine times** the EU contribution committed (EUR 170.26 bn / EUR 18.66 bn). In other words, each euro invested by the Union budget in financial instruments has contributed to on average around EUR 9 of financing from all sources provided to final recipients.



<sup>10</sup> E.g. dividends, capital gains, guarantee fees and interest on loans and on amounts on fiduciary accounts.

<sup>11</sup> E.g. capital repayments, guarantees released, and repayments of the principal of loans.

<sup>12</sup> And then either returned to the general budget or returned to be re(used) as follows from Article 212(3) FR.

<sup>13</sup> Including EFSI top-ups for a total of EUR 3,742 m (3.1.a EaSI-G EUR 300 m; 4.1 COSME LGF EUR 1,484 m; 4.3 InnovFin SME Guarantee EUR 1,400 m; 4.4 InnovFin Equity EUR 428 m; 4.6 CCS GF EUR 130 m) and EUR 20 m financed under European Development Fund ('EDF') for 5.2 GEEREF.

The **total amount of investments** made by final recipients due to the received financing amounted to **EUR 275.8 bn<sup>14</sup>**. This figure implies a **multiplier effect of the EU intervention of almost fifteen times the EU contribution committed** (EUR 275.8 bn / EUR 18.66 bn). In other words, each euro invested by the Union budget in financial instruments has contributed to on average EUR 15 of investments made by final recipients due to the received financing.

By the end of 2024, around **5.63 million final recipients** have been supported by these financial instruments with an average EU contribution committed per final recipient of EUR 3,312 allowing for an **average financing provided by the financial instruments of EUR 30,000 and an average investment of EUR 49,000 per final recipient**.

Internal & External Policies	
Key figures (EUR)	All Instruments
EU Contribution committed <sup>15</sup>	18,655,950,943
Leverage effect <sup>16</sup>	9.13
Multiplier effect <sup>17</sup>	14.78
Financing provided to final recipients	170,258,355,179
Number of final recipients	5,633,376
Investments made by final recipients due to the received financing	275,813,152,788
Average financing provided per final recipient	30,223
Average investment made per final recipient	48,961

The consolidated figures presented above do not show however the differences and variations, notably as regards the eligible policy areas, the amounts of financing and investment allowed by the different financial instruments, and the types of final recipients (from students to large companies) and their location. Therefore, to provide additional detail the tables presented below disaggregate these consolidated figures by external and internal policies (and their policy areas).

The EU contribution committed in internal policies represents almost 89% of the overall EU contribution committed (for both internal and external policies) and most of it has been allocated to SME support followed by Research & Innovation, Infrastructure & Climate Change, and Social & Education.

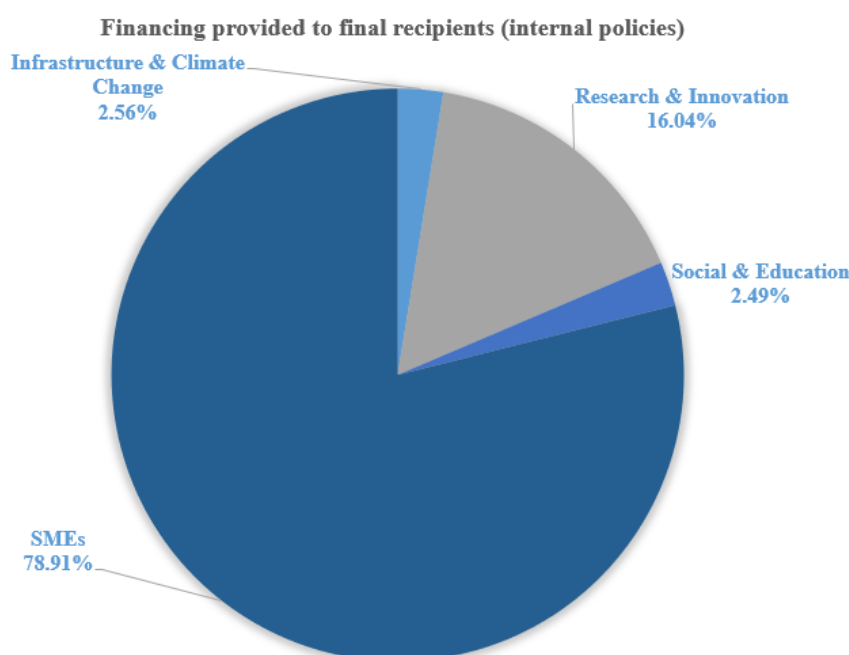
The graph below presents the split of financing provided to final recipients per policy area and shows that SMEs (at 78.91%) are the main recipients of the financing provided through financial instruments in internal policies.

<sup>14</sup> The investments made by final recipients are usually also financed by their own resources and by other public/private sources of financing that are not directly mobilised by the financial instrument.

<sup>15</sup> Including EFSI top-ups for a total of EUR 3,742 m (3.1.a EaSI-G EUR 300 m; 4.1 COSME LGF EUR 1,484 m; 4.3 InnovFin SME Guarantee EUR 1,400 m; 4.4 InnovFin Equity EUR 428 m; 4.6 CCS GF EUR 130 m) and EUR 20 m financed under European Development Fund ('EDF) for 5.2 GEEREF.

<sup>16</sup> Article 2(40) FR defines 'leverage effect' as the amount of reimbursable financing provided to eligible final recipients divided by the amount of the Union contribution.

<sup>17</sup> Article 2(48) FR defines 'multiplier effect' as the investment by eligible final recipients divided by the amount of the Union contribution.



The EU contribution committed in internal policies mobilised financing from other sources of EUR 141.22 bn; whereas in external policies the financing mobilised from other sources was of EUR 10.39 bn.

Key figures (EUR)	Internal Policies				
	Infrastructure & Climate Change	Research & Innovation	Social & Education	SMEs	Total
EU Contribution committed <sup>18</sup>	1,171,028,555	3,191,830,000	530,322,423	11,701,141,361	<b>16,594,322,339</b>
Leverage effect	3.45	7.93	7.42	10.64	<b>9.51</b>
Multiplier effect	20.81	17.52	10.45	14.62	<b>15.48</b>
Financing provided to final recipients	4,035,860,031	25,307,900,947	3,936,571,772	124,533,962,847	<b>157,814,295,597</b>
Number of final recipients	36,184	4,434	199,377	1,375,041	<b>1,615,036</b>
Investments made by final recipients due to the received financing	24,366,548,393	55,915,649,382	5,541,196,474	171,066,783,141	<b>256,890,177,391</b>
Average financing provided per final recipient	111,537	5,707,691	19,744	90,567	<b>97,716</b>
Average investment made per final recipient	673,407	12,610,656	27,793	124,408	<b>159,062</b>

When looking at the different policy areas in **internal policies**, the **average financing provided per final recipient is of EUR 97,716** (ranging from EUR 19,744 in Social & Education to EUR 5.71 m in Research & Innovation).

**The average financing provided per final recipient in external policies is of EUR 3,097** which is significantly lower than the EUR 97,716 in internal policies. Similarly, the average investment made per final recipient is of EUR 4,709 in external policies whereas the average investment in internal policies is of EUR 159,062 (rising to EUR 12.61 m for Research & Innovation investments).

<sup>18</sup> Including EFSI top-ups for a total of EUR 3,742 m (3.1.a EaSI-G EUR 300 m; 4.1 COSME LGF EUR 1,484 m; 4.3 InnovFin SME Guarantee EUR 1,400 m; 4.4 InnovFin Equity EUR 428 m; 4.6 CCS GF EUR 130 m) and EUR 20 m financed under European Development Fund (\*EDF) for 5.2 GEEREF.

External Policies	
Key figures (EUR)	
EU Contribution committed	2,061,628,604
Leverage effect	6.04
Multiplier effect	9.18
Financing provided to final recipients	12,444,059,583
Number of final recipients <sup>19</sup>	4,018,340
Investments made by final recipients due to the received financing <sup>20</sup>	18,922,975,397
Average financing provided per final recipient	3,097
Average investment made per final recipient	4,709

The fact that the average financing provided and the average investment per final recipient are lower in external policies than in internal policies also results from the fact that the number of final recipients is 2.5 times higher in external policies (4.01 million in contrast with 1.62 million final recipients in internal policies).

The leverage and multiplier effects of the Union intervention are noticeably higher in internal policies compared to external policies (leverage 9.5 vs 6 / multiplier 15.5 vs 9.2). However, it is important to note that these differences do not at all mean a lower effectiveness of the Union support provided in external policies. Instead, the lower leverage and multiplier effects in external policies suggest difficulties in mobilising additional private/public financing in markets where external financial instruments are deployed. These more modest leverage and multiplier effects attached to the external financial instruments affirm the added value of the Union intervention and its additionality as they represent a bigger share and are more critical to the overall project funding.

By the end of 2024, the cumulative losses from operations in all financial instruments amounted to EUR 2.29 bn (internal policies EUR 2.26 bn; external policies EUR 27.69 m). The cumulative losses attributed to net guarantee calls<sup>21</sup> under guarantee instruments represent 98.9% of its total, while the remaining 1.1% is attributed to equity realised losses (EUR 19.14 m) and loan write-offs (EUR 6.65 m). To be noted however, that the cumulative losses of EUR 2.29 bn are partially compensated by cumulative revenues of EUR 1.38 bn in the form of e.g., risk remuneration, dividends, realised gains, fees and interests on loans.

Although this result, which reflects past performance, is subject to the important caveat that historical losses do not necessarily predict future outcomes, it is observed that the cumulative losses of EUR 2.29 bn represents 14.8% of the total budgetary commitments<sup>22</sup> (EUR 15.5 bn) that allowed for a total financing provided to final recipients of EUR 170.26 bn and a total amount of investments made by final recipients due to the received financing of EUR 275.8 bn. Notwithstanding those losses, it must be noted that the total cumulative reflows entered into the Union budget since inception of the financial instruments amount to EUR 2.43 bn which exceed the total cumulative losses reported by EUR 136.5 m.

<sup>19</sup> Not including 6.1 Neighbourhood Investment Platform (NIP) as data on the number of final recipients supported was not available at the reporting date.

<sup>20</sup> For 5.1 Western Balkans Investment Framework (WBIF), 5.3 Facility for Euro-Mediterranean Investment and Partnership (FEMIP) Debt instrument and 5.5 EU support to Ukrainian Micro, Small and Medium-Sized Enterprises (top-up), the information on “Investments made by final recipients due to the received financing” was not available at the reporting date. To calculate the multiplier effect, it is assumed that the investments made by final recipients are at least equal to the received financing.

<sup>21</sup> Guarantee calls minus guarantee calls recovered.

<sup>22</sup> Excluding EFSI top-ups.



## Reflows from financial instruments assigned to InvestEU and the Public Sector Loan Facility

One of the advantages of financial instruments is the fact that they generate reflows (revenues<sup>23</sup> and repayments<sup>24</sup>) that can be returned to the general budget or be reused in the same or successor instruments<sup>25</sup>.

By the end of 2024, **total cumulative reflows entered into the Union budget reached EUR 2.43 bn accounting for approximately 15.7% of the total budgetary commitments<sup>26</sup>** (EUR 15.5 bn). The total amount of 2024 reflows, from the financial instruments included in this report, entered into the budget in 2024 was of EUR 216.62 m, of which EUR 6.5 m were returned to the general budget and EUR 210.13 m were returned to be (re)used.

Reflows Financial Instruments (EUR)	2024	All years
Total reflows entered into the budget, of which:	216,619,786	2,426,938,196
<i>to the general budget</i>	6,493,513	77,639,470
<i>returned to be used</i>	210,126,272	2,349,298,727

Out of the EUR 210.13 m reflows returned to be (re)used, EUR 201.07 m<sup>27</sup> were (re)used in line with the provisions of Article 35(1) of the InvestEU Regulation<sup>28</sup> and Article 5(2) of the Public Sector Loan Facility ('PSLF') Regulation<sup>29</sup>. These provisions concern financial instruments for internal policies established before the MFF 2021-2027 and set out the following:

- Article 35(1) of the InvestEU Regulation sets out that any revenues, repayments and recoveries from predecessor financial instruments listed in Annex IV of the InvestEU Regulation **may** be used for the provisioning of the EU guarantee under InvestEU.
- Article 5(2) of the PSLF Regulation sets out that EUR 275 m of the grant component of the Facility **must** be financed by repayments stemming from the financial instruments established under the programmes listed in Annex I to this Regulation.

In line with the provisions above mentioned, 2024 reflows in the amount of EUR 201.07 m from financial instruments for internal policies included in this report have been assigned to the provisioning of the EU guarantee under InvestEU and to the financing of the grant component of the PSLF as indicated in the table below.

In addition, there were also 2024 reflows amounting to EUR 12.23 m from four additional financial instruments<sup>30</sup>, the European Technology Facility (ETF01)<sup>31</sup>, the European Technology Facility (ETF98)<sup>32</sup>,

<sup>23</sup> E.g. dividends, capital gains, guarantee fees and interest on loans and on amounts on fiduciary accounts.

<sup>24</sup> E.g. capital repayments, guarantees released, and repayments of the principal of loans.

<sup>25</sup> As follows from Article 212(3) FR and depending on the specific provisions of each basic act establishing the instrument.

<sup>26</sup> Excluding EFSI top-ups.

<sup>27</sup> The remainder amount of 2024 reflows of EUR 9.06 m of which EUR 4.3 m were reused within the 5.1 Western Balkans Investment Framework (WBIF) and EUR 4.76 m within the 6.1 the Facility for Euro-Mediterranean Investment and Partnership (FEMIP).

<sup>28</sup> 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.

<sup>29</sup> Regulation (EU) 2021/1229 of the European Parliament and of the Council of 14 July 2021 on the Public Sector Loan Facility under the Just Transition Mechanism.

<sup>30</sup> This report does not include specific chapters for these four additional legacy instruments that predate the 2007-2013 MFF since, currently, they are only accounted for their reflows.

<sup>31</sup> Council Decision 2000/819/EC of 20 December 2000 on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005) (OJ L 333, 29.12.2000, p. 84).

<sup>32</sup> Council Decision 98/347/EC of 19 May 1998 on measures of financial assistance for innovative and job-creating small and medium-sized enterprises (SMEs) - the growth and employment initiative (OJ L 155, 29.5.1998, p. 43).



the Technology Transfer Pilot Project (TTP)<sup>33</sup> and SME Guarantee Facility '01 (SMEG01)<sup>34</sup>, that were also assigned to the provisioning of the EU guarantee under InvestEU.

**Overall, in 2024, reflows amounting of EUR 213.3 m was assigned to the two aforementioned programmes.**

Reflows Financial Instruments (EUR)		2024
Reflows assigned to InvestEU		210,938,404
Reflows assigned to PSLF		2,364,068
<b>TOTAL</b>		<b>213,302,473</b>

To recap, since 2021 reflows for an amount of EUR 733.49 m has been assigned to the provisioning of the EU guarantee under InvestEU (EUR 458.84 m) and to the financing of the grant component of the PSLF<sup>35</sup> (EUR 274.65 m), as shown in the table below.

Reflows Financial Instruments (EUR)	2024	2023	2022	2021	TOTAL
Reflows assigned to InvestEU	210,938,404	136,136,410	77,153,440	34,616,531	<b>458,844,785</b>
Reflows assigned to PSLF	2,364,068	104,560,504	121,457,213	46,264,056	<b>274,645,841</b>
<b>TOTAL</b>	<b>213,302,473</b>	<b>240,696,914</b>	<b>198,610,653</b>	<b>80,880,587</b>	<b>733,490,626</b>

The three financial instruments which generated most reflows in 2024 were:

- 2.2 Risk-Sharing Finance Facility (RSFF) & Pilot guarantee facility for R&I-driven SMEs and Small Midcaps (RSI) under the FP7– EUR 85.4 m<sup>36</sup>;
- 4.8 High Growth and Innovative SME Facility (GIF) CIP GIF – EUR 40.9 m; and
- 4.2 COSME Equity Facility for Growth (EFG) – EUR 28.33 m.

Overall, in the period 2021-2024, the three financial instruments which generated most reflows were:

- 4.8 High Growth and Innovative SME Facility (GIF) CIP GIF – EUR 291.35 m;
- 2.2 Risk-Sharing Finance Facility (RSFF) & Pilot guarantee facility for R&I-driven SMEs and Small Midcaps (RSI) under the FP7– EUR 85.4 m; and
- 4.2 COSME Equity Facility for Growth (EFG) – EUR 75.5 m.

The table below further details the financial instruments<sup>37</sup> from which reflows have been assigned to the provisioning of the EU guarantee under InvestEU and to the financing of the grant component of the PSLF.

<sup>33</sup> Technology Transfer Pilot project (TTP): Commission decision adopting a complementary financing decision concerning the financing of actions of the activity 'Internal market of goods and sectoral policies' of the Directorate-General Enterprises & Industry for 2007 and adopting the framework decision concerning the financing of the preparatory action 'The EU assuming its role in a globalised world' and of four pilot projects 'Erasmus young entrepreneurs', 'Measures to promote cooperation and partnerships between micro and SMEs', 'Technological Transfer' and 'European Destinations of excellence' of the Directorate-General Enterprises & Industry for 2007.

<sup>34</sup> Council Decision 2000/819/EC of 20 December 2000 on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005) (OJ L 333, 29.12.2000, p. 84).

<sup>35</sup> The target EUR 275 m assigned to the grant component of the PSLF has been virtually reached (EUR 354,158.55 are recallable distributions from the Marguerite Fund that will be assigned to the PSLF once the recallability period is over).

<sup>36</sup> As explained in chapter 2.2, the RSI facility was formally terminated at the end of 2024.

Reflows Financial Instruments (EUR)		2024		2023		2022		2021	
		To InvestEU	To PSLF	To InvestEU	To PSLF	To InvestEU	To PSLF	To InvestEU	To PSLF
1.1	Connecting Europe Broadband Fund (CEBF)							35,141	
1.2	Connecting Europe Facility (CEF) – Debt Instrument	6,203,030		1,928		5,938,457		8,411,293	
1.6	2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite)	903,537	2,364,068	6,468,349	9,475,313		19,994,394		14,561,815
2.1	Horizon 2020 Loan Services for R&I Facility (InnovFin Debt)					4,925,641	4,603,069	11,188,767	
2.2	Risk-Sharing Finance Facility (RSFF) & Pilot guarantee facility for R&I-driven SMEs and Small Midcaps (RSI) under the FP7	85,401,717							
3.1.a	Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantee (EaSI-G)	4,755,711		3,332,614					
3.1.b	EaSI Capacity Building Investments (EaSI CBI)	1,045,140		250,309				38,694	
n/a	European Progress Microfinance (EPMF FCP-FIS)				397,764		1,548,429	3,823,545	4,531,001
3.3	Erasmus+ Student Loan Guarantee Facility (SLGF)	614,273							
4.1	COSME Loan Guarantee Facility (LGF)	28,333,080		13,266,984		1,389,494			
4.2	COSME Equity Facility for Growth (EFG)	12,451,304		14,960,235	28,951,868		18,288,601		861,887
4.3	Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee)	1,714,130				3,650,162		5,877,139	
4.4	Horizon 2020 Equity Facility for R&I (InnovFin Equity)	12,449,553				1,280,395		2,564,957	
4.6	Cultural and Creative Sectors Guarantee Facility (CCS GF)	1,591,113		690,824					
4.7	SME Guarantee Facility (SMEG07) - CIP SMEG 07	2,335,176		873,526		780,259			3,019,799
4.8	High Growth and Innovative SME Facility (GIF) - CIP GIF	40,909,272		81,780,454	65,732,174	19,076,208	58,713,056	2,676,995	22,462,865
n/a	European Technology Facility (ETF01)	3,227,689		14,494,193		40,083,582	17,701,869		
n/a	European Technology Facility (ETF98)	174,271		16,994		29,243	294,537		796,331
n/a	Technology Transfer Pilot Project (TTP)	33,422			3,385		313,259		30,357
n/a	SME Guarantee Facility '01 (SMEG01)	8,795,985							
<b>Total</b>		<b>210,938,404</b>	<b>2,364,068</b>	<b>136,136,410</b>	<b>104,560,504</b>	<b>77,153,440</b>	<b>121,457,213</b>	<b>34,616,531</b>	<b>46,264,056</b>
<b>Total 2024/2023/2022/2021</b>		<b>213,302,473</b>		<b>240,696,914</b>		<b>198,610,653</b>		<b>80,880,587</b>	
<b>Total 2021 to 2024 assigned to InvestEU</b>					<b>458,844,785</b>				
<b>Total 2021 to 2024 assigned to PSLF</b>					<b>274,645,841</b>				
<b>Grand total assigned to InvestEU and PSLF</b>					<b>733,490,626</b>				

In internal policies in the current MFF 2021-2027, the Union budget works with one single budgetary guarantee i.e. InvestEU, which builds on the experience of the EFSI budgetary guarantee of the previous MFF, and which helps to reduce the number of distinct Union financial instruments in place<sup>38</sup>. In this context, while financial instruments established in previous MFFs have in general a lifecycle spanning around 20 years, it is noted that most of the active financial instruments in internal policies included in this report are expected to be terminated<sup>39</sup> in the 2030s (twelve financial instruments). Meanwhile, three financial instruments are expected to be terminated by the end of this decade, and the remaining four financial instruments in the 2040s.

Despite the relatively stable amount of yearly reflows from 2021 to 2024, estimating the pace and amount of reflows from these financial instruments for the next two decades remains challenging. This uncertainty arises from their inherent risk and the fact that these financial instruments are designed to cover some losses (which would be the normal functioning of instruments that seek to achieve additionality and address market failures). Financial instruments have long lifecycles that extend beyond the MFF under which they were established and, as a result, reflows take time to materialise.

The existence of these reflows from financial instruments illustrates the revolving nature of the Union's repayable support, enabling the launch, continuation or expansion of successor programmes and instruments,

<sup>37</sup> The European Progress Microfinance (EPMF FCP-FIS) is already liquidated and was last reported in chapter 3.2.a of the Working Document X accompanying the 2025 Draft Budget.

<sup>38</sup> Nevertheless, the use of fully provisioned financial instruments brought together under the framework of InvestEU proved to be especially useful in targeting higher risk operations (further details on blending operations including contribution from a financial instrument to the framework providing budgetary guarantee are reported in Working Document XI (41(5) FR report) .

<sup>39</sup> Further information on the duration of each specific financial instrument is available in their specific chapters. It is noted that 4.5 EIC Fund does not have specifically agreed-upon termination date. In addition, the termination date of the EU level instruments that contribute to the 4.9 SME Initiative is presented in chapters 4.1 COSME Loan Guarantee Facility (LGF) and 4.3 Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee) of this report.

as recently proposed by the Commission in its Proposal for a Regulation amending the InvestEU Regulation<sup>40</sup>. This amendment to the InvestEU Regulation proposes to increase the InvestEU guarantee and its provisioning through the use of surpluses from the European Fund for Strategic Investments ('EFSI') and of reflows from legacy financial instruments<sup>41</sup>. It also proposes to allow the released guarantee capacity of EFSI and legacy financial instruments CEF Debt Instrument and InnovFin Debt Facility to be granted to financing and investment operations that are eligible under InvestEU and to cover their related losses. This potentially reduces surpluses and reflows from these instruments, but also triggers financial efficiency gains that allow for an increased volume of InvestEU financing and investment operations in the current MFF.

<sup>40</sup> COM(2025) 84 final, 26.2.2025: Proposal for a Regulation (EU) 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.

<sup>41</sup> These financial instruments are enumerated in Annex IV to the InvestEU Regulation.

## A. Infrastructure & Climate change

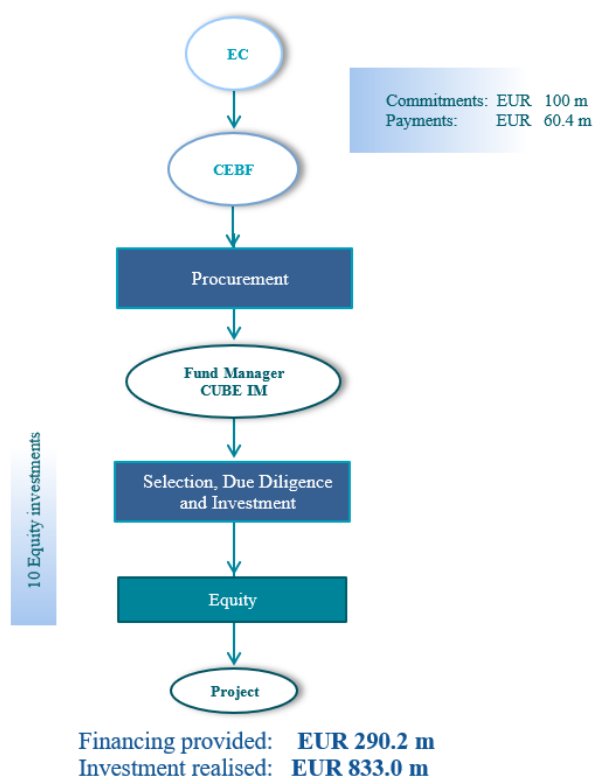
### 1.1 Connecting Europe Broadband Fund (CEBF)

#### Description

Identification / Reference to the basic act			
Regulation (EU) No 1316/2013 of the European Parliament and the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129) as amended by Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments (OJ L 169, 1.7.2015, p. 1)			
Budget lines			
02.029907			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	5,405,405.41	13,500,000.00	10,000,000.00

Initial financial envelope:	EUR 100,000,000.00
Current financial envelope:	EUR 100,000,000.00
Overall financial envelope:	EUR 100,000,000.00

#### General description



The Connecting Europe Broadband Fund (hereafter, the ‘CEBF’ or ‘the Fund’) is implemented under the CEF Equity instrument under direct management by the European Commission (DG CONNECT).

The CEBF was set up to meet the growing demand for financing of smaller-scale broadband projects across Europe, which did not have easy access to funding.

The total CEBF has a budget of EUR 555 million for broadband investment and is expected to unlock total investments of EUR 1-1.7 billion. The Fund can provide equity and quasi-equity financing including mezzanine.

#### Duration

The Fund Manager was selected in May 2017 with a public procurement procedure and the Fund was launched in 2018. The CEBF signed its first operation in January 2019. The investment period during which the Fund Manager selected in which projects to invest equity lasted 5 years and ended in June 2023. Since that date, the Fund cannot invest in new projects but just develops

its current project portfolio until maturity. All assets have to be sold by 2030 (the total expected duration of the fund is therefore 12 years) or at the latest 2032. Once all assets are liquidated the Fund will be terminated.

## Added value, final recipients and projects

The CEBF invests in underserved areas where there are strong profitability opportunities. Eligible countries are EU Member States, as well as Norway and Iceland. Projects (whether fixed line or mobile) should make a significant contribution to the achievement of the targets of the Digital Agenda for Europe (DAE), which means, at the minimum, the support to the connectivity necessary to achieve the DAE Target 2 (30 Mbps) and/or Target 3 (100 Mbps). Furthermore, in case of fixed line networks, minimum speed levels in line with DAE target 3 (100 Mbps) should be permanently available for at least one or several retail products out of the operator's commercial product offerings. Priority should be given to projects that facilitate the transition towards a European Gigabit Society by the deployment of networks upgradable to 1 Gigabit as well as to projects based on wholesale-only models.

The projects are to be deployed predominantly in underserved areas, which would be typically classified as grey Next Generation Access ('NGA') networks (i.e., only one NGA network exists or is planned) and white NGA areas (no NGA network exists), for state aid purposes. The Fund is meant to support operators to cope with the large capital expenditures and long payback periods required to build Fibre to the Home networks. This is particularly true for the roll-out in rural areas where the lower density results in typically very high payback periods exceeding sometimes 10 years, going up to 20 years.

CEBF only invests in "greenfield" projects. These projects are defined as investments carried out by "start-up" companies or companies that have an asset base which is small compared to the cumulative investments planned for new assets.

The EUR 100 million from the CEF Equity Instrument budget was committed in the **junior equity tranche**, subordinated to all other investors. Reinforced by an EFSI guarantee covering another amount of EUR 100 million, CEBF was designed to reduce the reluctance from institutional investors and long-term funds to substantially invest in greenfield fiber to the home (FTTH) infrastructures. Beyond the traditional risk of greenfield projects (that are not cash/yield producing assets as in the case of brownfields) these projects carry additional risks principally due to the lack of visibility of the revenue ramp-up and the strong return sensitivity to market penetration speed.

## Financial institutions involved in implementation

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

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

Cube IM is a professional asset manager with extensive experience in infrastructure and, in particular, broadband investments in Europe and has been selected via an open and competitive selection process carried out by the EIB. For alignment of interests, Cube IM has subscribed into the Fund for an amount of EUR 5 million.

Three new closings occurred since the launch with the final one taking place in June 2021. The total commitments made to the Fund to date amount to EUR 555 million, effectively outperforming the initial target set at the beginning of the project of EUR 500 million.

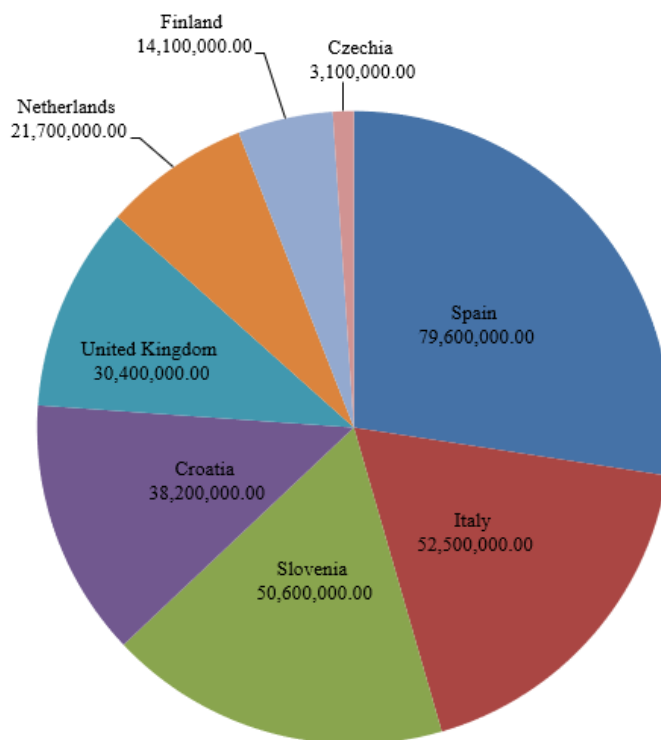
## Operational Performance

### Contribution to the achievement of the objectives of the programme

The projects in which the Fund has invested so far will deploy high quality FTTH network for 1,875,000 residential, business, and public administration premises mostly in rural areas. 940,000 premises have already been passed with fibre. One project will also deploy a backbone of about 1,800 km in Spain.

### Geographical diversification

The CEBF can invest in all EU Member States, as well as EEA Member States participating in CEF Telecom, namely Iceland and Norway. The project portfolio shows solid geographical diversification, as do the projects already signed by the Fund to date for a total amount of EUR 237.3 million (2 in both Spain and Italy, 1 project each in Croatia, Slovenia, the United Kingdom<sup>42</sup>, the Czechia, the Netherlands and Finland). The Fund has already divested from the project in United Kingdom and in the Czechia while it is winding down operations for the Dutch project.



### Main issues for the implementation

The uptake for FTTH services by final consumers is slower than expected, not only in Europe but worldwide. The result is that FTTH rollout projects tend to have a flatter revenue growth than expected and therefore longer payback periods. The overall investment strategy of CEBF has shifted to fewer and larger projects than initially planned and the expansion pace is more cautious and more attentive to proven demand rather than land grabbing. The payment appropriations for CEBF are therefore relatively slow.

<sup>42</sup> Project signed when the United Kingdom was still an official member of the EU.

## Performance, financing and investments

As of 31 December 2024, the Fund has invested in ten projects for a total invested capital of EUR 290.2 million and divested from three.

Key figures (EUR)	Actual	Target
EU Contribution committed	100,000,000.00	100,000,000.00
Leverage effect	2.90	5.20
Multiplier effect	8.33	10.00
Operations	10	17
Financing provided to final recipients	290,200,000.00	520,000,000.00
Number of final recipients	10	17
Investments made by final recipients due to the received financing	833,000,000.00	1,000,000,000.00

## Financial Information

Financial Information (EUR)	Connecting Europe Broadband Fund (CEBF)		
Type of instrument	Equity		
Year of inception	2018		
Implementing Partner	CUBE Infrastructure Managers		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	100,000,000.00
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		5,405,405.41	60,372,956.41
<b>Reflows</b>	<b>(1)</b>		
Revenues		0.00	45,143.09
Repayments		0.00	3,666,984.00
Total reflows entered into the budget, of which:		0.00	3,712,127.09
<i>to the general budget</i>		0.00	10,001.83
<i>returned to be used</i>		0.00	3,702,125.26
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	0.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00

Other charges		0.00	0.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	10,001.83
Net treasury result (including interest) (gains (+) / losses (-))		0.00	-0.17
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	35,141.26
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		40,262,501.58	45,625,273.00
Value of equity investments		635,458.00	592,824.01
<i>Investment at cost</i>		60,372,956.42	54,967,551.01
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		0.00	0.00
<i>in euro</i>		0.00	0.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

- (1) Most of the reflows were returned to be reused by deducting them from the Commission disbursement in response of new capital calls. Repayments allowed to reduce the management fees. In line with Article 35(1) of the InvestEU Regulation, 2021 reflows in the amount of EUR 35,141.26 were assigned to InvestEU.

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

N/A



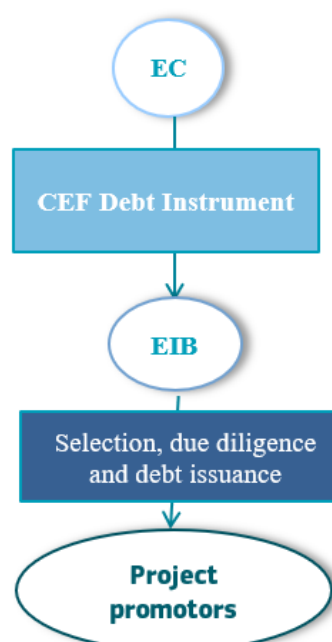
## 1.2 Connecting Europe Facility (CEF) – Debt Instrument

### Description

Identification / Reference to the basic act			
Connecting Europe Facility Debt Instrument (CEF DI): Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129)			
Budget lines			
02 02 99 05 and 02 02 99 06			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	0.00	0.00	0.00

Initial financial envelope <sup>43</sup> :	EUR 2,557,000.00
Current financial envelope:	EUR 755,000,000.00
Overall financial envelope <sup>44</sup> :	EUR 2,536,000,000.00

### General description



Financing provided: **EUR 2.176 bn**  
Investment realised: **EUR 18.095 bn**

The CEF Debt Instrument was established through Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/210. The CEF Debt Instrument aims to facilitate greater private sector involvement in the long-term financing of transport, energy and telecommunication projects.

### Duration

The implementation of CEF Debt started in July 2015, when the Delegation Agreement with the EIB was signed. The commitment and approval periods ended respectively in 2020 and 2022. The subsequent signature period ended on 31 December 2023. The latest maturity date of underlying loans is 28 December 2048.

### Added value, final recipients and projects

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

All operations under the Debt Instrument are supported by a **risk sharing mechanism** with the EIB where the EU budget takes 95% to 100% of the first loss piece of the portfolio of such operations (100% only in the case of non-securitisable financing). The first loss provisioning provided by the EU budget is shared among all projects in the three sectors covered by the CEF

<sup>43</sup> Initial envelope available for CEF DI, as per Art. 9 of CEF DI Delegation Agreement of 2015.

<sup>44</sup> This amount includes EUR 1 billion budget used to support the 2017 CEF Transport Blending Call. The CEF Regulation allows for implementing projects with FIs, using up to 8.4% of the total CEF budget envelope.

Debt Instrument. This allows for higher diversification and hence maximises the number of projects that can be supported by the CEF Debt Instrument.

## Financial institutions involved in implementation

The EIB is the entity entrusted with the implementation of the CEF Debt Instrument.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

The CEF DI has been used effectively to deliver projects of EU added value. By the end of 2024, the CEF DI portfolio (including the legacy LGTT and PBI instruments<sup>45</sup>) has grown to 35<sup>46</sup> projects in 14<sup>47</sup> Member States with:

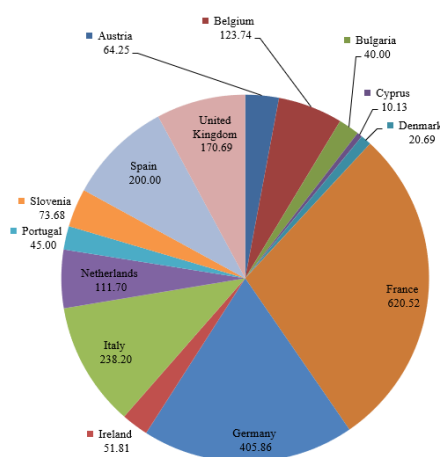
- Total investment realised EUR 18,094.67 million
- Achieved leverage and multiplier effects: 3 and 24

The CEF Debt Instrument (CEF-DI) Delegation Agreement was amended in June 2019 to focus on green innovative investments, to ensure complementarity with the European Fund for Strategic Investments (EFSI) and to allow the absorption of unused NER300<sup>48</sup> funds (managed by DG CLIMA) to be implemented through the CEF Debt Instrument in the transport sector. The amended CEF-DI Delegation Agreement introduced the 'Future Mobility' financial product to support high-risk deployment of alternative fuels infrastructure, the roll out of innovative technologies and smart mobility services.

The amendment of the Delegation Agreement resulted in an increase of the portfolio with operations covering the deployment of electric buses and electric-vehicle fleets; the installation of electric and hydrogen charging points; the development of innovative technologies and smart mobility services for port and rail terminals. The instrument also paved the way for a strong pipeline of projects under the successor instrument InvestEU.

### Geographical diversification

By the end 2024, the CEF DI portfolio (including the legacy LGTT and PBI instruments) comprised 35 projects in 14 Member States. The distribution of total financing provided to final recipients (EUR 2,176 million) is as follows:



<sup>45</sup> Loan Guarantee for TEN Transport and Project Bond Initiative.

<sup>46</sup> This figure includes operations already fully reimbursed.

<sup>47</sup> Two transactions in the United Kingdom were signed prior to the United Kingdom's withdrawal from the EU and are therefore listed.

<sup>48</sup> EU ETS funding programme for innovative demonstration renewable energy and CCS projects.

## Main issues for the implementation

Due to the overlap in eligibility of the CEF Debt Instrument and EFSI, and the more flexible eligibility criteria of EFSI compared to CEF, the CEF DI had initially performed below expectations.

The CEF DI Delegation Agreement was subsequently amended to increase the complementarity between the CEF DI and EFSI (amendment entered into force in 2019), and to implement contributions from unused NER300 funds.

In the telecom sector, the entire commitment amount of EUR 17.5 million has been successfully mobilised in a single transaction. In the transport sector, the CEF DI budget was exhausted and NER300 contribution were also used to support operations. As regards the energy sector, no operations were eventually pursued by the end of the approval period (31.12.2022) due to pipeline constraints.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	755,000,000.00	N/A
Leverage effect	2.88	N/A
Multiplier effect	23.97	N/A
Operations	35	N/A
Financing provided to final recipients	2,176,260,000.00	N/A
Number of final recipients	35	N/A
Investments made by final recipients due to the received financing	18,094,670,000.00	N/A

## Financial Information

Financial Information (EUR)	Connecting Europe Facility Debt Instrument (CEF DI)		
Type of instrument	Risk-sharing (guarantee)		
Year of inception	2015		
Implementing Partner	EIB		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	755,023,980.11
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	6,881,250.95
Budgetary payments		0.00	755,023,980.11
<b>Reflows</b>	<b>(1)</b>		
Revenues		6,203,029.89	60,489,823.96
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		6,203,029.89	60,489,823.96
<i>to the general budget</i>		0.00	2,028,733.22
<i>returned to be used</i>		6,203,029.89	58,461,090.74
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00

<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	16,813,030.13
Incentive fees		0.00	13,419,375.00
Treasury management fees		407,456.00	5,071,075.27
Other charges		6,590.00	52,425,876.35
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		5,134,022.00	106,295,899.86
Net treasury result (including interest) (gains (+) / losses (-))		407,456.00	9,827,072.89
Net FX gains (+) / losses (-)		0.00	70,900.90
Other revenues		0.00	20,036.40
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		648,911,439.00	648,911,439.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		21,149,752.48	29,227,314.48
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		0.00	-1,928.00
<i>in euro</i>		0.00	-1,928.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		714,921,047.21	730,677,768.21

## Notes to the financial information

- (1) In line with Article 35(1) of the InvestEU Regulation, 2021 reflows in the amount of EUR 8,411,292.60, 2022 reflows in the amount of EUR 5,938,457.40, 2023 reflows in the amount of EUR 1,928.09 and 2024 reflows in the amount of EUR 6,203,029.89 were assigned to InvestEU (total reflows assigned to InvestEU EUR 20,554,707.98).

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

N/A

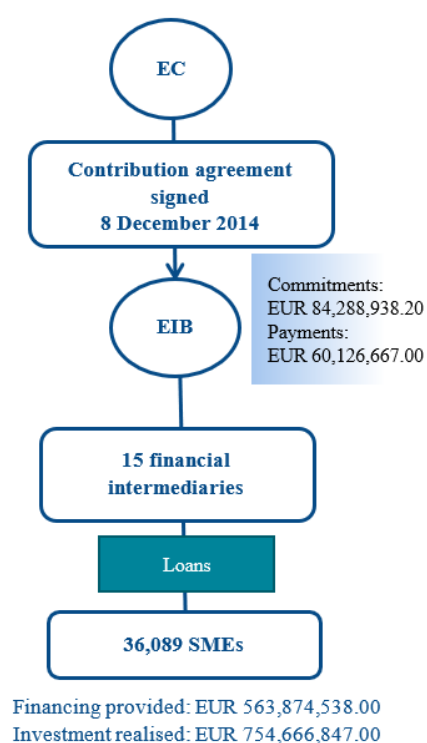
## 1.3 Private Finance for Energy Efficiency Instrument (PF4EE)

### Description

Identification / Reference to the basic act			
Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007 (OJ L 347, 20.12.2013, p. 185)			
Budget lines			
2.029909			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	0.00	p.m.	p.m.

Initial financial envelope <sup>49</sup> :	EUR 80,000,000.00
Current financial envelope <sup>50</sup> :	EUR 84,288,938.20
Overall financial envelope:	EUR 84,288,938.20

### General description



The LIFE programme is the EU (European Union) funding instrument for the environment and climate action, with a main objective to contribute to the implementation, updating and development of EU (European Union) environmental and climate policy and legislation by co-financing projects with European added value. Aside from providing action grants to projects and operating grants to non-governmental organisations, LIFE programme also developed financial instruments, such as Private Finance for Energy Efficiency Instrument (PF4EE).

The Implementing Partner of the PF4EE is the European Investment Bank (EIB). The PF4EE provides risk coverage in the form of a **first loss portfolio capped guarantee** to selected financial intermediaries who undertake to develop a portfolio of new loans targeting eligible final recipients investing in energy efficiency. The risk coverage is provided on a loan-by-loan basis with a guarantee rate of up to 80 % and at portfolio level with a guarantee cap.

PF4EE aims to help address market barriers by investing in projects that would not attract affordable financing because they are considered as too high risk. Therefore, its core objective is the deployment of energy efficient loans across Europe, increasing the availability of debt

financing to support priorities set in the National Energy Efficiency Action Plans (NEEAPs) or the National Energy and Climate Plans (NECPs) of Member States.

<sup>49</sup> Phase I – initial amount.

<sup>50</sup> Additional EUR 25 million added (Phase II). Total committed amount for Phase I and II accounted for EUR 105 million. In February 2023, EU 20,711,061.80 was decommitted and the current financial envelope is EUR 84,288,938.20.

## Duration

The Commitment Period for Phase I of the PF4EE Instrument ended on 31 December 2017, except for repayments, which were re-used until 31 December 2022. The Commitment Period for Phase II ended on 31 December 2020, except for repayments, which were re-used until 31 December 2022.

The Implementation Period, during which the EIB could commit the EU Contribution Committed, started on the day of signing the Delegation Agreement (8 December 2014) and ended on 31 December 2019 for Phase I. For Phase II, the Implementation Period ended on 31 December 2022.

The maturity date of the last debt exposure (final loan repayment) under PF4EE can extend up to 20 years after the end of the Phase II implementation period, with a latest possible maturity date of 20 January 2043.

## Added value, final recipients and projects

Thanks to the guarantee provided by the LIFE programme, the EIB can provide access to adequate and affordable commercial debt financing to the promoters of energy efficiency (“EE”) investments. The final recipients include private individuals, home-owner associations, SMEs (Small and Medium Enterprises), corporates and/or public institutions/bodies.

PF4EE has two components:

- a risk mitigation mechanism (the PF4EE Instrument Risk Sharing Facility or RSF) for Financial Intermediaries to partially recover losses they may incur in their energy efficiency loan portfolio;
- an advisory component (the PF4EE Instrument Expert Support Facility or ESF), aimed at providing expert support to the Financial Intermediaries.

PF4EE can be combined with a dedicated financing line from EIB (the “EIB Energy Efficiency Loan”) to improve the funding terms of the financing to Energy Efficiency promoters.

The design of the Risk Sharing Facility enables the Commission to provide credit risk protection to the financial intermediaries in respect of their loans to final recipients. The EIB loans have competitive rates and long maturities and complement the RSF.

## Financial institutions involved in implementation

The EIB is the entrusted entity and risk-sharing partner for implementing the PF4EE Instrument under indirect management. The selected Financial Intermediaries (FIs) are commercial banks contracted by the EIB through three requests for proposals, which facilitate energy efficiency investments with support from the EIB’s Expert Support Facility. Under the first two proposals, the EIB selected 11 FIs, and another four under the third,.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

The PF4EE Instrument was designed to contribute to the general objectives of the LIFE Regulation (Regulation (EU) No 1293/2013). In particular, the PF4EE Instrument:

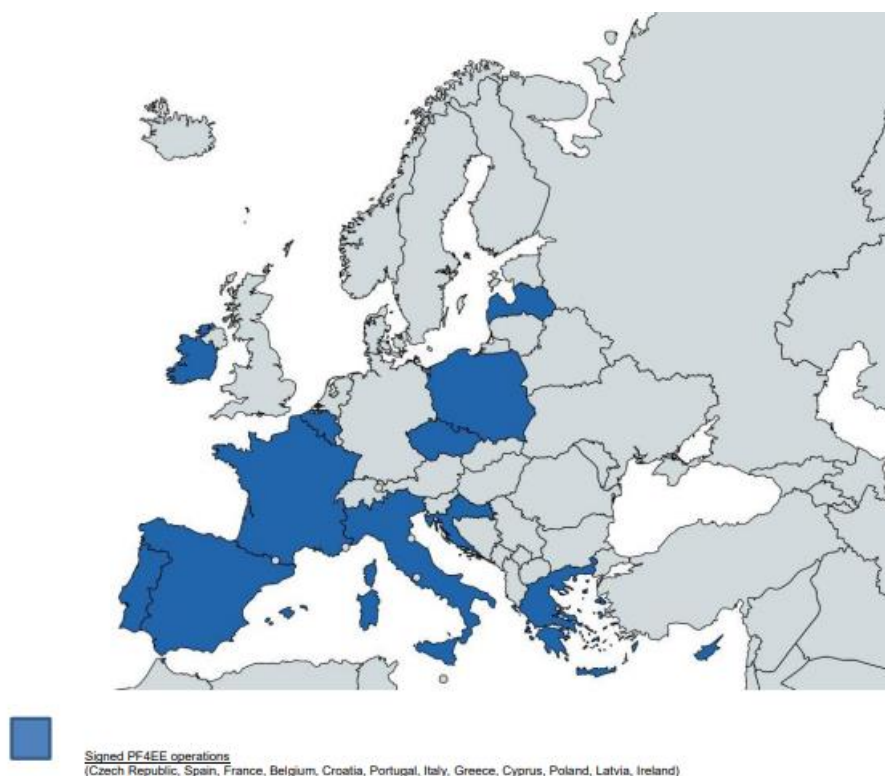
- (i) Addresses a major climate policy issue, contributing to the achievement of the Europe 2020 and 2030 objectives to secure energy savings and the associated reduction in emissions;
- (ii) Provides the necessary level of piloting and demonstration of a new policy instrument, with major potential to deliver EU added value;

- (iii) Complements and supports Member States' responsibilities under their National Energy Efficiency Action Plans (NEEAPs) or their National Energy and Climate Plans (NECPs), as the case may be;
- (iv) Offers the potential to improve the cost-effectiveness of the LIFE Programme through leverage and complementarity;
- (v) Builds longer term capacity in a sustainable commercial finance activity thereby ensuring continuing and long-term support for sustainable development;
- (vi) Supports solidarity and burden sharing; and
- (vii) Offers the potential to mainstream the initiative into Member State programmes (through NEAAPs or NECPs and potentially other programmes and initiatives in line with EU Directives relating to Energy Efficiency).

The entire budget available for the Risk Sharing Facility has been committed in line with the target. 15 operations have been signed. These operations directly support EU energy efficiency targets under NEEAPs and NECPs.

### Geographical diversification

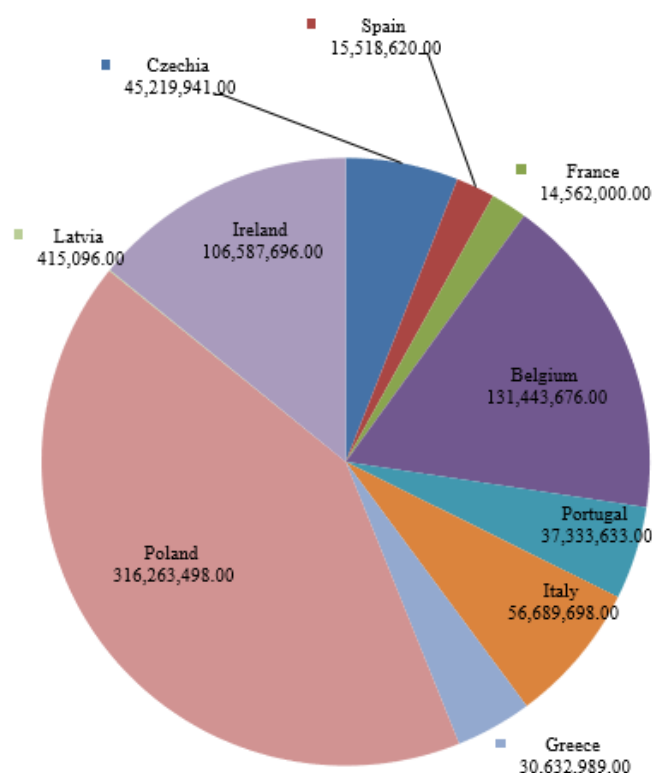
Geographical diversification of PF4EE is focused on the EU Member States. As reflected in the map below, PF4EE has been able to cover a big part of the EU territories and was able to gather interest in many more countries eager to initiate and develop financial products catered to Energy Efficiency projects<sup>51</sup>.



The geographical distribution of investments made by final recipients (EUR 754,666,846) is outlined below. PF4EE has been able to cover a big part of the EU territories and was able to gather interest in many more countries eager to initiate and develop financial products catered to Energy Efficiency projects.

<sup>51</sup> Projects cancelled in Croatia and Cyprus.





## Main issues for the implementation

During the first years of implementation, the realised EE investments under the PF4EE instrument have been somewhat slower than originally envisaged, driven by – among others – the lack of existing infrastructure dedicated to energy efficiency lending products across European FIs. In more detail, the participating FIs needed to build their internal capacity that would allow them to address the EE-lending as a distinct market segment, a process that required both time and commitment. In that respect, the EIB in cooperation with the European Commission (the “PF4EE team”) has been instrumental in supporting FIs and in driving the initiative.

2024 continued to observe an overall increase in the EE Investments mobilised with an increase of EUR 64,718,161 to reach EUR 754,666,846.

Yet, as expected, the year-over-year volume of Investments started to decrease as most Financial Intermediaries end their Signing Period and enter their amortisation phase. Additionally, some of the Financial Intermediaries were unable to develop a strong portfolio of EE loans.

During earlier years, standardisation of training and support materials enabled more effective onboarding of new FIs. However, portfolio development remained challenging due to external factors such as competing financial instruments (grants and other green finance mechanisms), insufficient FI resources, regulatory complexities, mergers (CCB-Hellenic), and the COVID-19 pandemic’s negative impact on market demand and operational processes.

The final phase (2023-2024) saw mixed results: strong successes (BNP Paribas, Solas), moderate improvements (BPER), and continued difficulties or delays (Caixa, AvantMoney, Franfinance). The closure of ESF in June 2024 concluded the dedicated external support (implemented in two consecutive phases (ESF 1 from October 2015 to October 2021 and ESF 2 from October 2020 to June 2024), highlighting both the benefits of sustained expert assistance and the persistent market and institutional challenges in EE financing implementation.



## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	84,288,938.20	105,000,000.00
Leverage effect	6.69	5.33
Multiplier effect	8.95	6.67
Operations	15	9 - 14
Financing provided to final recipients	563,874,538.00	560,000,000.00
Number of final recipients	36,089	1,167
Investments made by final recipients due to the received financing	754,666,847.00	700,000,000.00

## Financial Information

Financial Information (EUR)	Private Finance for Energy Efficiency (PF4EE)		
Type of instrument	Guarantee		
Year of inception	2014		
Implementing Partner	EIB		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		0.00	84,288,938.20
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	60,126,667.00
<b>Reflows</b>			
Revenues		0.00	0.00
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		0.00	0.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		17,678.00	138,487.00
		0.00	60,337.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	4,200,001.00
Incentive fees		0.00	2,100,000.00
Treasury management fees		0.00	0.00
Other charges		126,517.00	3,081,929.00
<b>Revenues</b>			

Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		390,117.00	1,722,499.00
Net treasury result (including interest) (gains (+) / losses (-))		1,354,979.00	2,533,964.00
Net FX gains (+) / losses (-)		247,519.00	658,627.00
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		61,614,282.32	67,784,855.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		16,251,943.00	14,156,646.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		57,264,883.00	55,459,110.00
<i>in euro</i>		40,615,560.00	39,048,003.00
<i>in non-euro currencies</i>		16,649,323.00	16,411,107.00
Other financial assets (including short term deposits >3months)		0.00	0.00

### Notes to the financial information

- (1) The EIB notified the Commission that an amount of EUR 20,711,061.80 of the EU contribution originally committed was no longer required for the PF4EE Instrument. This amount corresponds to contributions utilised but not requested for payment under less successful collateral agreements. The agreements between the EIB and Zagrebačka Banka (Croatia) as well as Cyprus Cooperative Bank Ltd were cancelled after signature. In the case of Piraeus Bank SA (Greece), EUR 4 million was cancelled after signature. Additionally, the collateral agreement with BNP Paribas Bank Polska SA was topped up by EUR 11 million.

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

N/A

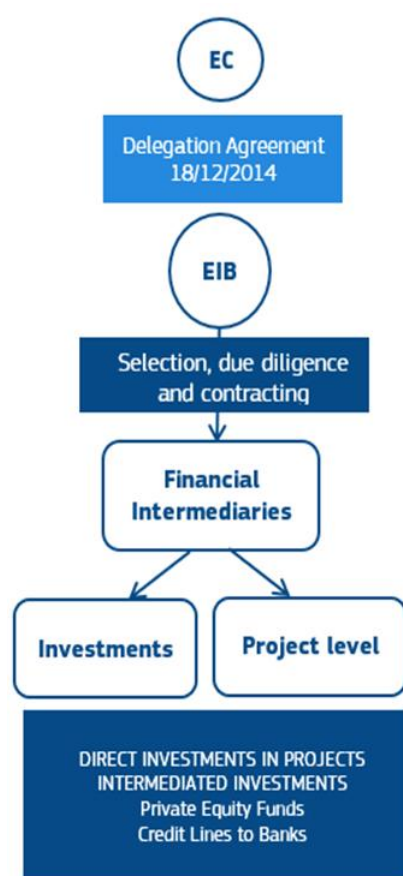
## 1.4 Natural Capital Financing Facility (NCFF)

### Description

Identification / Reference to the basic act			
Regulation (EU) No 1293/2013 of the European Parliament and of the Council of 11 December 2013 on the establishment of a Programme for the Environment and Climate Action (LIFE) and repealing Regulation (EC) No 614/2007 (OJ L 347, 20.12.2013, p. 185)			
Budget lines			
02.029909			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	p.m.	p.m.
Budgetary payment appropriations	0.00	p.m.	p.m.

Initial financial envelope:	EUR 60,000,000.00
Current financial envelope:	EUR 60,000,000.00
Overall financial envelope:	EUR 60,000,000.00

### General description



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

### Duration

The Delegation Agreement with the EIB was signed in December 2014. The second amendment signed in December 2021 has extended the implementation phase of NCFF until and including 2022. No new signatures of operations will take place, but NCFF continues its disbursement period with the financial intermediaries and final recipients. For the loan agreements the end dates range from 2026 to 2035. The expected termination date of this financial instrument is 31/12/2046.

### Added value, final recipients and projects

The added value of the NCFF is that it addresses current market gaps and barriers for the private financing of projects in the field of biodiversity and climate change adaptation. The aim is to establish a pipeline of replicable, bankable investments that will serve as a "proof of concept" and that demonstrate to private investors the attractiveness of

such investments for the longer term. A further aim is to leverage funding from private investors for this pipeline of investments. The NCFF supports projects that the EIB normally does not invest in, because they are too small, the time to ensure an investment return is too long, or the perceived credit risk of biodiversity and climate change adaptation investments is too high.

## Financial institutions involved in implementation

The EIB is the entrusted entity for the NCFF Instrument.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

The NCFF Instrument contributes to meeting the general objectives of the LIFE regulation. In particular, the NCFF Instrument's objective was to provide a proof of concept to demonstrate that biodiversity and climate adaptation projects can be financed through innovative and sustainable market-based mechanisms in addition to existing grant-based financing. The NCFF comprises two components, the main investment facility and a small technical assistance facility which provides small grants for preparation and support activities.

By the end of 2024, the NCFF Investment facility portfolio comprised 11 signed operations, out of which seven direct loans, three indirect loan operations and one equity agreement for the Irish Sustainable Forest Fund. The prevailing project categories were forestry and urban green infrastructures. No new operations have been signed in the reporting year, as 2022 marked the end of the signing period for the NCFF.

To date, the NCFF technical support facility supported:

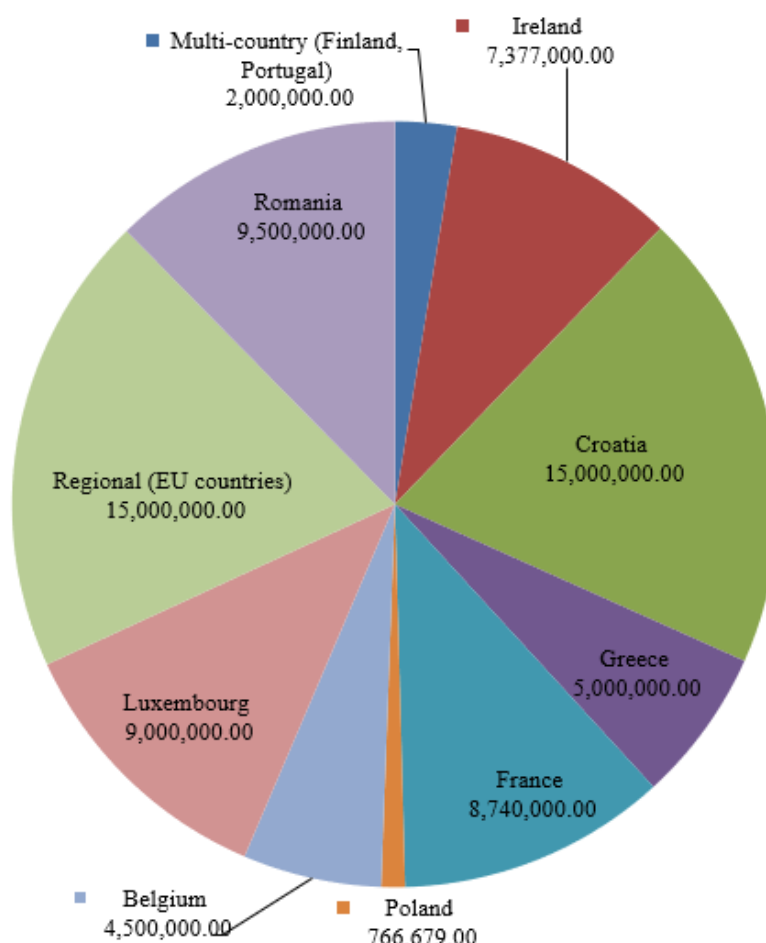
- Twelve small Technical Assistance packages. These packages have served to i) support the development and the preparation of specific operations and ii) for more general guidance. In terms of costs, none of these exceeded EUR 50,000.
- Eight larger Technical Assistance packages (between EUR 339,955 – EUR 934,500) to support the development, the implementation and the monitoring of operations which are receiving financing from the NCFF.

### Geographical diversification

The aim was to invest in 9 to 12 operations and as broadly as possible in different Member States to reach a geographical balance within the EU in accordance with criteria set in the Delegation Agreement governing the NCFF instrument. The broad geographical coverage was to enhance the effectiveness of the pilot phase.

The eleven concluded operations from the NCFF Investment facility amount to EUR 76,883,679 (the initial amount was EUR 82,010,000 but the amount of the equity investment was adjusted downwards at the end of 2021). They were signed with financial intermediaries from Ireland, Croatia, Greece, France, Belgium, Luxembourg, Romania and Poland. The signed operations enabled projects to be financed across the EU, including in Finland and Portugal.

With a geographical coverage in ten Member states, the desired geographical spread was achieved. In addition, the support from the NCFF technical support facility amounting to EUR 4,833,080 concerns operations in the projects explored and for some of them materialised in Romania, Spain, Ireland, the Netherlands, Portugal, Greece, Italy, Finland and Austria, but also to other explored projects all over Europe.



## Main issues for the implementation

In the reporting year 2024 there have been no new projects concluded, as 2022 was the final year of the implementation phase. Whereas the pilot initiative fulfilled its objective regarding the number of financed operations, the target volume of a EUR 100-125 million of financing covering both debt and equity operations has not been reached. There were possibly several reasons for this shortfall in relation to volume, one being the small size of the submitted and approved operations. The NCFE as a market priced instrument was sensitive to the macroeconomic developments like historically low interest rates affecting the uptake of the financial instruments. In addition, the consequence of the pandemic and related economic shock affected timing of projects pipeline building. The main reason though is that nature-based solutions' projects are historically a public domain and it is rather difficult to attract investors seeking a return-on-investment proofs. The lengthy project preparations requiring staff involvement without a revenue stream during the preparation phase played a major obstacle for applicants. The rather modest results of the pilot initiative confirm a main role of the public sector in financing nature and biodiversity for the time being, but also a scope for further development of the innovative and more ambitious business models.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	60,000,000.00	60,000,000.00
Leverage effect	1.28	1.67 to 2.08
Multiplier effect	2.22	2.80
Operations	11	up to 12
Financing provided to final recipients	76,883,679.00	100 m to 125 m

Key figures (EUR)	Actual	Target
Number of final recipients	13	30
Investments made by final recipients due to the received financing	133,411,546.00	168,000,000.00

## Financial Information

Financial Information (EUR)	Natural Capital Financing Facility		
Type of instrument	Risk-sharing (loan, equity)		
Year of inception	2014		
Implementing Partner	EIB		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	60,000,000.00
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	1,578.00
Budgetary payments		0.00	14,645,000.00
<b>Reflows</b>	(1)		
Revenues		0.00	93,707.00
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		0.00	0.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called	(2)	2,633,033.00	2,633,033.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	1,799,781.00
Incentive fees		0.00	287,965.00
Treasury management fees		0.00	0.00
Other charges		469,955.00	3,935,771.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		113,746.00	287,132.00
Net treasury result (including interest) (gains (+) / losses (-))		343,028.00	614,708.00
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		26,623,479.00	29,256,512.00

Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		1,524,226.92	1,120,499.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		10,124,620.00	10,134,643.00
<i>in euro</i>		10,124,620.00	10,134,643.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00

### Notes to the financial information

- (1) The reflows in the form of revenues were used to cover management costs and fees of the instrument.
- (2) Due to an impairment amount under the Natural Capital Finance Facility (“NCFF”) for operation Romania Forest Regeneration-SLB (NCFF) (2020-0838, FI 93011), EIB decreased the Portfolio First Loss Piece (EU Contribution), pursuant to Article 6 of Annex 3a of the NCFF Agreement, by EUR 2,633,033 with a value date of 31 December 2024.

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

N/A

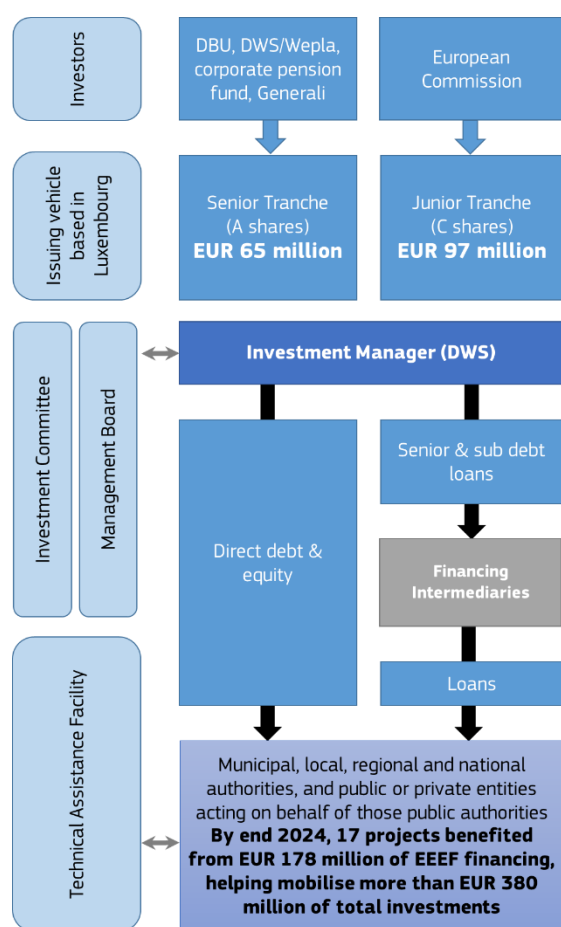
# 1.5 European Energy Efficiency Fund (EEEEF)

## Description

Identification / Reference to the basic act			
Regulation (EU) No 1233/2010 of the European Parliament and of the Council of 15 December 2010 amending Regulation (EC) No 663/2009 establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy (OJ L 346, 30.12.2010, p. 5)			
Budget lines			
Article 02.039904 - Completion of previous "Energy projects to aid economic recovery"			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope:	EUR 146,334,644.00
Current financial envelope:	EUR 116,203,765.34
Overall financial envelope:	EUR 116,203,765.34

## General description



The European Energy Efficiency Fund (EEEEF) is an alternative investment company with variable capital governed by the laws of the Grand-Duchy of Luxembourg and incorporated in the form of a public limited liability company.

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

The EEEF instrument is a public-private, long-term investment vehicle, with the objective to enhance energy savings, energy efficiency and foster renewable energy sources within the European Union, primarily through the provision of dedicated financing to municipal, local, regional or national authorities and public or private entities acting on behalf of those public authorities.

## Duration

The investment manager agreement between EEEF and DWS was signed on 1 July 2011. Given the structure of the

investment, the average duration between the EU budgetary commitment to the financial instrument and the legal commitments for individual projects in the form of equity or debt, is difficult to report on in a meaningful way. Insofar as the fund is open-ended, over time investments are made increasingly from



income, redemption proceeds and new capital injections, rather than from funds in the initial budgetary commitment.

The Commission's shares in EEEF have a redemption date in May 2034. This means that legal commitments to projects have to take into account this redemption date in view of a possible termination of the financial instrument shortly after.

### **Added value, final recipients and projects**

Through its contribution to EEEF the European Union aims to support its climate and clean energy transition goals by promoting and enabling sustainable energy projects in European regions, cities and communities. This directly contributes to the objectives of the European Green Deal, the 2050 decarbonisation target and the 2030 energy efficiency and renewable energy targets.

This is achieved primarily through the provision of dedicated financing to municipal, local, regional or national authorities and public or private entities acting on behalf of those public authorities. Since its inception, EEEF has supported 18 projects in 10 European countries involving 56 public authorities, for a total of approximately EUR 180 million.

### **Financial institutions involved in implementation**

The fund is jointly managed by its shareholders, i.e. the European Commission, Generali, Stichting Achmea Algemeen Pensioenfond, DBU and DWS/Wepla. DWS is the alternative investment fund manager (AIFM) for the EEEF. The European Commission and Generali are represented in the Board of Directors of the fund. For more information, please see [www.eeef.lu](http://www.eeef.lu).

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

The EEEF has successfully disbursed the EU contribution of EUR 99.8 million to specific projects, providing innovative financing solutions to energy efficiency and renewable energy projects. As of 31 December 2024, around EUR 180 million have been allocated to 18 projects that have generated more than EUR 380 million of total investments (achieved multiplier effect: 1.85 – 3.81 depending on the specific project). These projects reach more than 2 million people annually.

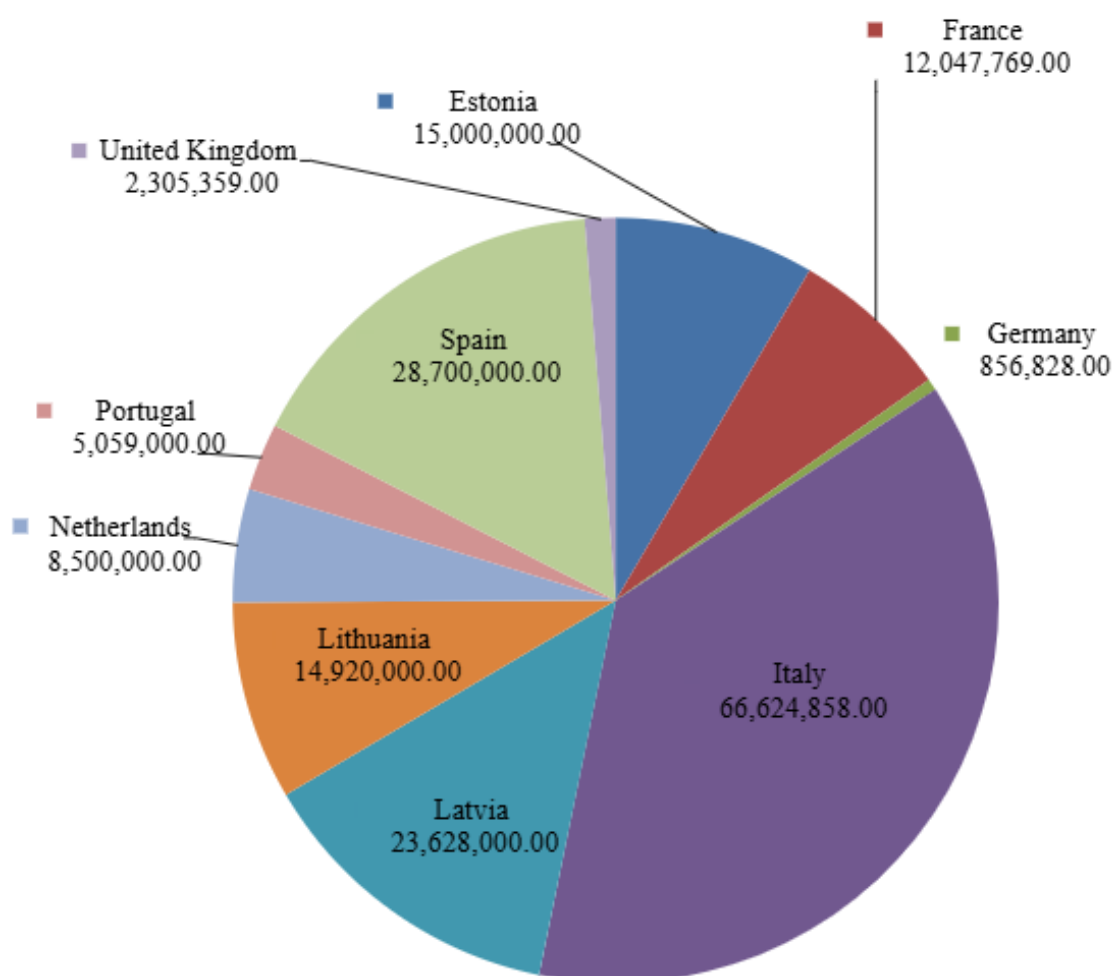
The second half of 2024 saw the write-off of one investment for around EUR 10 million due to insolvency of the major contractor. Restructuring of the debt is ongoing, so part of the investment may still be recuperated.

The EEEF Technical Assistance facility, the fund's own project development support platform, signed a new grant agreement with the ELENA facility for a total of EUR 2.14 million (between 2024 and 2026). At the end of 2024, four technical assistance contracts were in place for an investment volume of EUR 42 million with a leverage factor of 33.

The fund has paid dividends every year since 2013, including complementary dividends since 2015. Some of these dividends have been used to finance the EEEF Technical Assistance facility.

### **Geographical diversification**

As of 31 December 2024, EEEF had financed 18 projects in total. The fund aims to further diversify investments geographically and to increase its role in the newer EU Member states. The geographical distribution of the projects is described in the chart below:



### Main issues for the implementation

From an operational point of view, the fund remains financially healthy despite the write-off of one project investment. At the end of 2024, the Net Asset Value of the total shares in the fund stood at EUR 167 million.

Early in 2024, the AIFM informed the fund that it wanted to divest from impact funds, including EEEF. The Board of Directors engaged in a process to identify a new fund manager, which should result in early 2025 in the appointment of a new AIFM. As a result, further deployment of EEEF has lagged behind, both in terms of attracting additional investors, as well as regards identifying new investment projects.

### Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	99,829,868.00	125,000,000.00
Leverage effect	1.78	N/A
Multiplier effect	3.81	N/A
Operations	18	N/A
Financing provided to final recipients	177,641,814.00	N/A
Number of final recipients	18	N/A
Investments made by final recipients due to the received financing	380,800,000.00	N/A

## Financial Information

Financial Information (EUR)	European Energy Efficiency Fund (EEEF)		
Type of instrument	Dedicated investment vehicle (debt, equity)		
Year of inception	2011		
Implementing Partner	DWS		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	116,203,765.34
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	116,203,765.34
<b>Reflows</b>	(1)		
Revenues		0.00	0.00
Repayments		0.00	4,498,415.32
Total reflows entered into the budget, of which:		0.00	4,498,415.32
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	4,498,415.32
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	0.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		0.00	168,397.95
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))		0.00	0.00
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	571.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		102,769,641.60	110,179,857.06
Value of equity investments		102,769,641.60	110,179,857.06
<i>Investment at cost</i>		97,044,383.00	97,044,383.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00

Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		0.00	0.00
<i>in euro</i>		0.00	0.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00

### Notes to the financial information

- (1) Reflows amounting to almost EUR 4.5 million have been used to finance projects under CEF Energy 2021-2027 first call for proposals, as per Article 32(1) FR. In that respect, it contributed to supporting energy infrastructure PCIs that have significant socio-economic benefits and ensure greater solidarity among Member States, but which do not receive adequate financing from the market. The projects supported pursued the goals and objectives of the Green Deal, as well as the Paris Agreement and the 2030 climate and energy targets and long-term decarbonisation objectives.

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

N/A

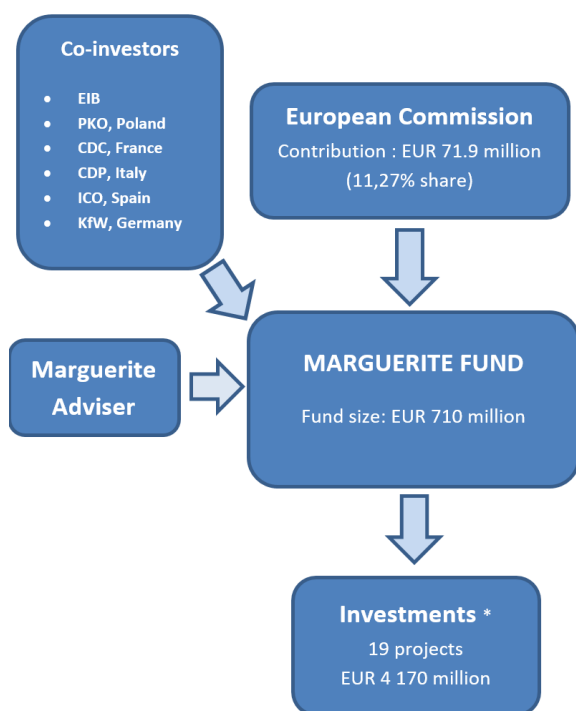
## 1.6 2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite)

### Description

Identification / Reference to the basic act			
Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks (OJ L 162, 22.6.2007, p. 1). Commission Decision C(2010) 941 of 25 February 2010 on European Union participation in the 2020 European Fund for Energy, Climate Change and Infrastructure (the Marguerite Fund).			
Budget lines			
Article 02.029906 — Completion of previous "Connecting Europe Facility (CEF) — Transport" programmes (prior to 2021).			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope:	EUR 80,000,000.00
Current financial envelope:	EUR 71,909,749.00
Overall financial envelope:	EUR 71,909,749.00

### General Description



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

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

The Commission directly manages its investment in the Marguerite Fund; there is no delegation or sub-delegation agreement to any entrusted entity.

The investment in the Fund is managed by DG GROW, after the Commission's reorganisation in February 2025 (previously DG ECFIN) through a cross-delegation from DG MOVE.

The contributions are paid directly hence no trust account is established. The Commission is a pari-passu investor with a 11.27% stake, together with the EIB and five national promotional banks ("core sponsors" each of them having a 14% stake).

The Investment Adviser "Marguerite Adviser S.A." employs the Advisory Team and provides investment advisory services to the Fund under an Advisory agreement. Marguerite Investment Management S.A. is a

wholly owned entity of the Marguerite Adviser S.A. and is responsible for the Fund valuation, portfolio management and risk management.

## **Duration**

The Marguerite Fund was set up in 2010 with an initial fundraising objective of EUR 1,500,000,000. The final size of the Marguerite Fund was EUR 710,000,000 (final closing occurred on 31 December 2012). The end of the investment period term was 31 December 2017.

The maximum maturity of the Fund has been set at a term of 20 years from the start of the initial closing (3 December 2009) but may be extended for up to two additional one-year periods (up to December 2031).

## **Added value, final recipients and projects**

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

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

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

## **Financial institutions involved in implementation**

N/A

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

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

- been fully invested,
- respected the objectives of diversification of the portfolio,
- made more than 85% of the investments in the Core Sectors,
- invested more than 65% of commitments in Greenfield projects.

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

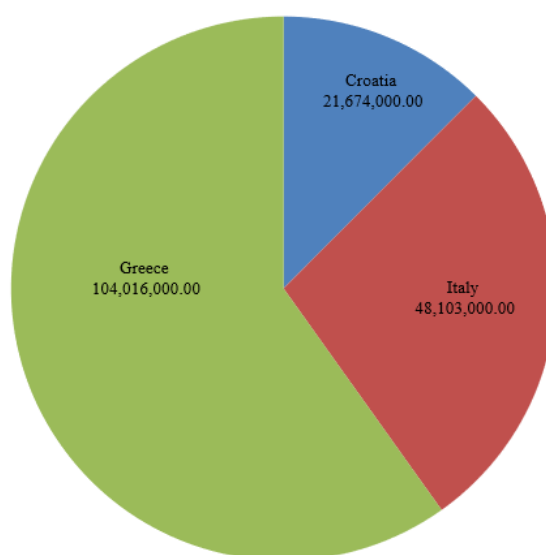
In total EUR 4.17 billion were mobilised at the end of the investment period.

As of end December 2024, the Marguerite portfolio comprises of 3 projects based in 3 Member States. It represents a total equity commitment EUR 173 million.

## **Geographical diversification**

The Fund invested in a geographically diversified portfolio of investments accounting for EUR 751 million throughout the EU (in a total of 13 Member States) with regards to the needs of, and opportunities in, new

EU member states (5 in EU-13 member states). The remaining equity commitments that are currently in the Fund's portfolio account for EUR 174 million and are distributed as shown in the chart.



### Main issues for the implementation

N/A

### Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	71,909,749.00	80,000,000.00
Leverage effect	10.44	18.75
Multiplier effect	57.99	49.32
Operations	19	20-30
Financing provided to final recipients <sup>52</sup>	751,000,000.00	1,500,000,000.00
Number of final recipients <sup>53</sup>	19	20-30
Investments made by final recipients due to the received financing	4,170,000,000.00	3,945,436,872.00

### Financial Information

Financial Information (EUR)	The 2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite)		
Type of instrument	Dedicated investment vehicle (equity)		
Year of inception	2010		
Implementing Partner	N/A (direct management)		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		

<sup>52</sup> The closing of the Fund in 2012 was concluded at EUR 710 million compared to the initial target of EUR 1.5 billion which was a market potential based on the 2009 ex-ante market analysis. The evolving market situation and the specificity of the Fund's governance structure, notably the weight of public investors, limited its capacity to attract private sector investment in the Fund.

<sup>53</sup> The current number of final recipients is three as shown in the graph above.

Budgetary commitments		0.00	71,909,748.92
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	71,909,748.92
<b>Reflows</b>	<b>(2)</b>		
Revenues		1,126,760.57	24,995,164.96
Repayments		0.00	54,510,312.29
Total reflows entered into the budget, of which:		1,126,760.57	79,505,477.25
<i>to the general budget</i>		-2,140,845.07	738,000.60
<i>returned to be used</i>		3,267,605.64	78,767,476.65
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	0.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		0.00	0.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		1,126,760.57	24,995,164.96
Net treasury result (including interest) (gains (+) / losses (-))		0.00	0.00
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	0.00
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		43,590,353.25	39,182,015.24
Value of equity investments		25,612,916.00	21,204,577.99
<i>Investment at cost</i>		160,000.00	160,000.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		0.00	0.00
<i>in euro</i>		0.00	0.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00



## **Notes to the financial information**

- (1) As of 31 December 2024, the Commission committed and paid EUR 71.9 million (reduced from initial EUR 80 million commitment).
- (2) In 2024, the Commission recovered a total of EUR 3,267,605.64 from the Marguerite Fund. In line with Article 35(1) of the InvestEU Regulation, 2024 reflows in the amount of EUR 903,537.18 and 2023 reflows in the amount of EUR 6,468,349.10 were assigned to InvestEU (total reflows assigned to the InvestEU EUR 7,371,886.28). 2024 reflows in the amount of EUR 2,364,068.46, 2023 reflows in the amount of EUR 9,475,312.86, 2022 reflows in the amount of EUR 19,994,393.77 and 2021 reflows in the amount of EUR 14,561,815.28 were assigned to the Public Sector Loan Facility (total reflows assigned to the Public Sector Loan Facility EUR 46,395,590.37).

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

N/A

## B. Research & Innovation

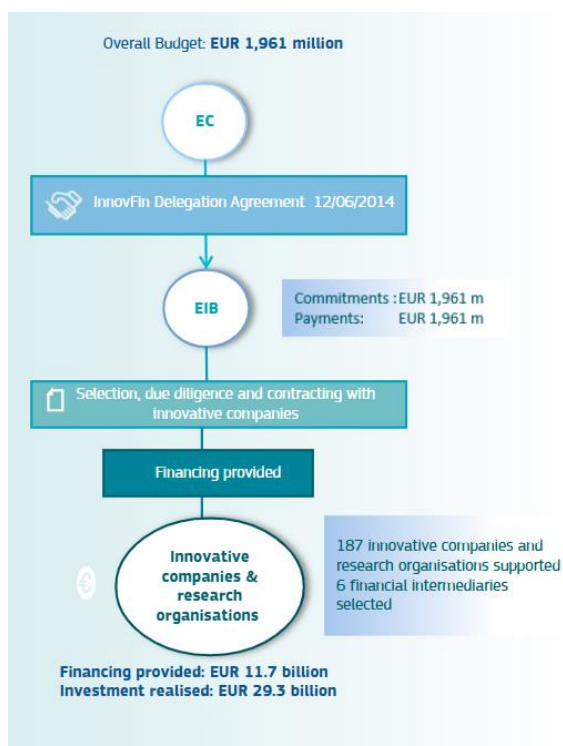
### 2.1 Horizon 2020 Loan Services for R&I Facility (InnovFin Debt)

#### Description

Identification / Reference to the basic act			
Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81)			
Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104)			
Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decisions 2006/971/EC, 2006/972/EC, 2006/973/EC, 2006/974/EC and 2006/975/EC (OJ L 347, 20.12.2013, p. 965)			
Budget lines			
2.029903			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	0.00	0.00	0.00

Initial financial envelope:	EUR 1,060,000,000.00
Current financial envelope:	EUR 1,961,100,000.00
Overall financial envelope:	EUR 1,961,100,000.00

#### General description



The Horizon 2020 Loan Services for R&I Facility (branded InnovFin) aims to increase the supply of loans, financial leases, mezzanine finance, guarantees and counter-guarantees, securitisation, equity and other forms of risk finance to R&I-driven enterprises, universities, public research organisations, R&I Infrastructures and Innovation-enabling Infrastructures and other entities located in Member States or Horizon 2020 Associated Countries.

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

#### Duration

The Delegation Agreement was signed in June 2014. The facility is planned to last until 31 December 2033 (until the last operations are wound down). The deadline for the

implementation was set at 31/12/2020 whereas the last date for signing operations was set at 31/12/2022.

## Added value, final recipients and projects

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

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

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

- demand-driven, providing loans and guarantees on a first-come, first-served basis, with specific support for final recipients such as SMEs and midcaps. This component responds to the steady and continuing growth seen in the volume of Risk Sharing Finance Facility lending, which is demand-led. This demand-driven component is supported by the budget of the Horizon 2020 Access to Risk Finance programme.
- targeted, focusing on policies and key sectors crucial for tackling societal challenges, enhancing competitiveness, supporting sustainable, low-carbon, inclusive growth, and providing environmental and other public goods. Specific examples include the thematic products such as InnovFin Energy Demonstration Projects and InnovFin Infectious Diseases Finance facility, as well as the Thematic Investment Platforms, such as the European Circular Bioeconomy Fund. This component helps the Union to address research and innovation aspects of sectorial policy objectives. Additional funding can be provided from other programmes (such as other parts of Horizon 2020, other frameworks, programmes and budget lines in the Union budget) and from particular regions and Member States that wish to contribute with their own resources (including through Structural Funds) and/or specific entities (such as Joint Technology Initiatives).

## Financial institutions involved in implementation

The EIB is the entrusted entity for the InnovFin facility.

## Operational Performance

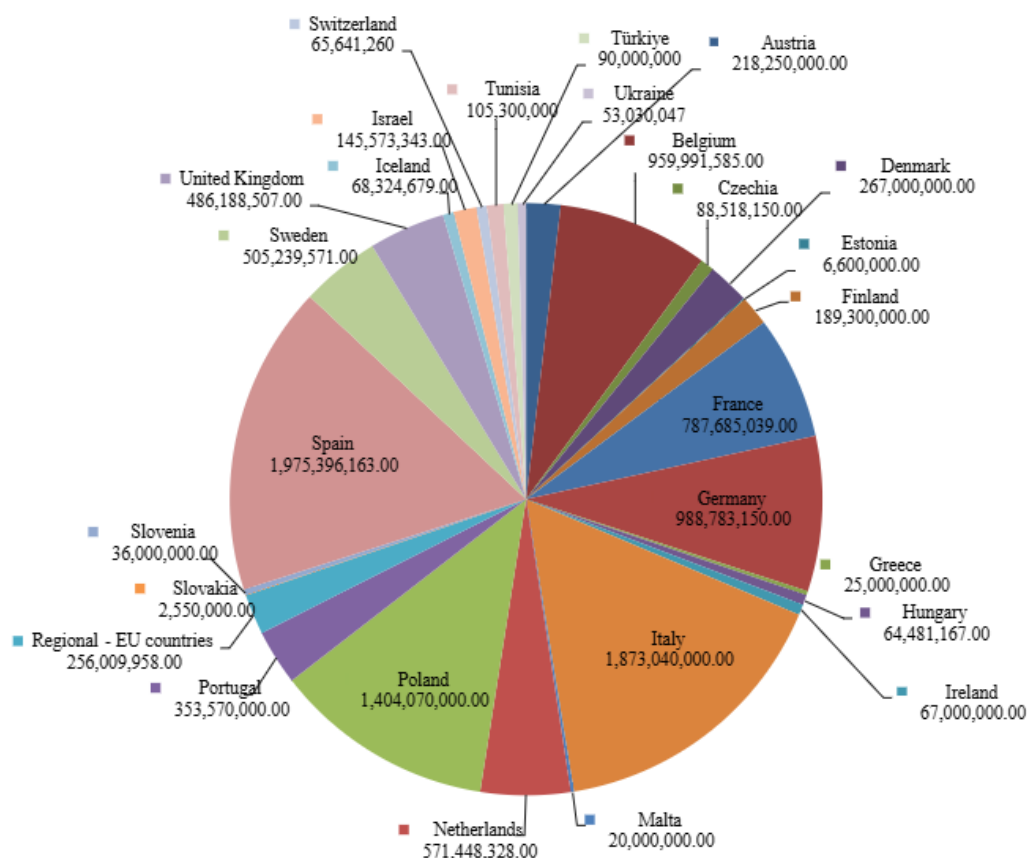
### Contribution to the achievement of the objectives of the programme

As of 31/12/2024, 167 InnovFin operations in Member States and 20 in Associated Countries to Horizon 2020 or the United Kingdom have been signed for a total financing amount of EUR 11,674 million which has triggered investment by final recipients amounting to EUR 29,915 million. For 2014-2020, the EU contribution of EUR 1,961 million was targeted to mobilise an amount of financing of EUR 17,830 million for the target final recipients.

Due to the COVID-19 crisis, EUR 400.1 million of repayments from the FP7 Risk Sharing Finance Facility have been recommitted to the Infectious Diseases Finance facility in 2020. In total the Infectious Diseases Finance facility has financed 28 operations for EUR 647 million.

### Geographical diversification

As of 31/12/2024, the InnovFin facility has been implemented in 20 Member States and 7 Associated Countries to Horizon 2020 or the United Kingdom. The chart below shows how the financing provided to the final recipients (EUR 11,674 million) is distributed by country.



## Main issues for the implementation

No issues affecting the implementation of the financial instrument have been identified.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	1,961,100,000.00	1,961,100,000.00
Leverage effect	5.95	9.09
Multiplier effect	14.93	18.18
Operations	187	175
Financing provided to final recipients	11,673,990,947.00	17,828,900,000.00
Number of final recipients	187	175
Investments made by final recipients due to the received financing	29,273,249,382.28	35,659,800,000.00

## Financial Information

Financial Information (EUR)	Horizon 2020 Loan Services for R&I Facility (InnovFin Debt)		
Type of instrument	Guarantee		
Year of inception	2014		
Implementing Partner	EIB		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	1,961,100,000.00

<i>of which from third countries</i>		0.00	9,405,382.00
<i>of which from reflows</i>		0.00	1,132,969,862.65
Budgetary payments		0.00	1,961,100,000.00
<b>Reflows</b>	<b>(1)</b>		
Revenues		0.00	26,905,978.00
Repayments		0.00	9,528,709.86
Total reflows entered into the budget, of which:		0.00	36,434,687.86
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	36,434,687.86
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		89,109,217.00	414,668,450.00
Guarantee calls recovered		0.00	50,136,358.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	47,803,182.00
Incentive fees		0.00	46,078,505.00
Treasury management fees		616,491.00	5,126,722.00
Other charges		6,590.00	54,854.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		12,466,989.00	256,590,019.00
Net treasury result (including interest) (gains (+) / losses (-))		616,491.00	-16,100,207.00
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	12,071.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		1,695,399,916.00	1,780,900,060.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		38,830,137.00	40,102,914.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		2,232.00	2,232.00
<i>in euro</i>		2,232.00	2,232.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		1,802,550,356.00	1,830,736,207.00

## Notes to the financial information

- (1) In line with Article 35(1) of the InvestEU Regulation, 2022 reflows in the amount of EUR 4,925,640.68 and 2021 reflows in the amount of EUR 11,188,767.48 were assigned to InvestEU. 2022 reflows in the amount of EUR 4,603,069.18 were assigned to the Public Sector Loan Facility.

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

N/A

## 2.2 Risk-Sharing Finance Facility (RSFF) & Pilot guarantee facility for R&I-driven SMEs and Small Midcaps (RSI) under the FP7

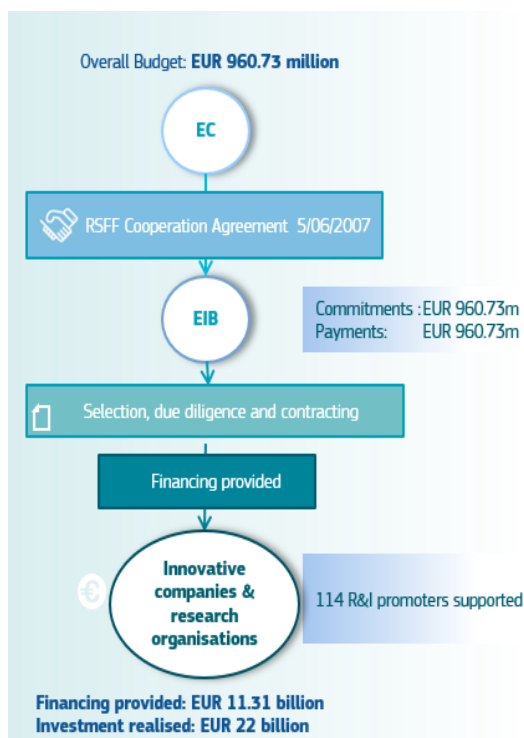
### Description

Identification / Reference to the basic act			
<p>Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013) (OJ L 412, 30.12.2006, p. 1).</p> <p>Council Decision 2006/971/EC of 19 December 2006 concerning the specific programme 'Cooperation' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 86).</p> <p>Council Decision 2006/974/EC of 19 December 2006 on the Specific Programme: 'Capacities' implementing the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (OJ L 400, 30.12.2006, p. 299).</p>			
Budget lines			
N/A: Former MFF 2007-2013			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	0.00	0.00	00.00

Initial financial envelope:	EUR 1,230,730,000.00
Current financial envelope:	EUR 1,230,730,000.00
Overall financial envelope:	EUR 1,230,730,000.00

### General description



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

In early 2012, within this programme a new pilot guarantee facility, RSI (Risk-Sharing Instrument for SMEs and small midcaps, with maximum 499 employees) was launched to improve access to finance for RDI investments.

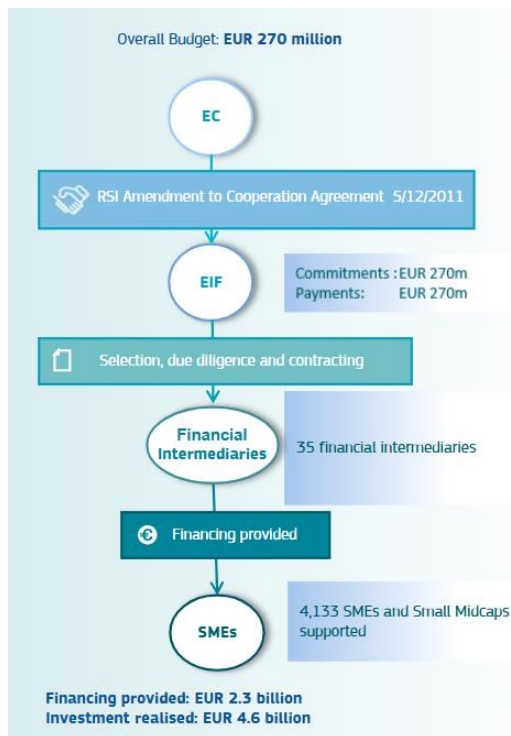
The RSI guarantee facility is part of the RSFF implementation and is carried out by the European Investment Fund (EIF).

### Duration

The RSFF was planned to last until 30 June 2024 until the last operations are wound down and will be formally terminated. The RSI facility was formally terminated at the end of 2024.



## Added value, final recipients and projects



The EU and the EIB are risk-sharing partners for loans provided by the EIB directly or indirectly to beneficiaries. The European Union, through FP7 budget resources, and the EIB have set aside a total amount of up to EUR 2 billion (up to EUR 1 billion each) for the period 2007-2013 to cover losses if RSFF loans are not repaid. Through those EU/EIB contributions for risk-sharing and loss coverage, the EIB is able to extend a loan volume of EUR 11 billion to companies and the research community for their investments in R&D and Innovation. The overall budget of the facility has been committed and paid at 100% by end 2013.

The RSI is a dedicated guarantee facility for loan and lease finance addressing the finance gap for innovative SMEs and small midcaps (with up to 499 employees). Through risk-sharing via guarantees provided by the EIF to financial intermediaries, it made a significant contribution to support innovative smaller companies by improving their access to finance. No new commitment was made since 31/12/2013. The overall budget of the facility has been committed and paid at 100% by end 2013.

## Financial institutions involved in implementation

The EIB is the entrusted entity for the RSFF facility. The EIF is the entrusted entity for the RSI Facility.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

Loan agreements have been signed with 114 R&I promoters, with a total loan volume of EUR 11.31 billion and the instrument has been implemented in 25 countries. The RSFF has reached and easily exceeded almost all its operational and intermediate objectives. Three evaluations clearly demonstrate that RSFF is well on its way to realising longer-term objectives and wider achievements.

Demand for RSFF loan finance has been high since the launch of the facility in mid-2007: in its first phase (2007-2010), its take-up exceeded initial expectations by more than 50 % in terms of active loan approvals (EUR 11.3 billion versus an initial forecast of EUR 6 billion).

The first interim evaluation concluded that the RSFF was successfully introduced into the EU's research funding scheme within FP7, was a model example of an EU financial instrument, and should be further developed and strengthened. Recommendations included the need to better target SMEs and research infrastructures. The second interim evaluation concluded that the RSFF had proved to be attractive to RDI companies and had met or exceeded its loan volume targets and enabled EIB to increase the bank's capacity to make riskier loans. The ex-post evaluation of RSFF concluded that the Facility addressed deep-seated market failures related to innovation financing in Europe and the reluctance of commercial banks to support projects perceived as being high risk. The evaluation suggested that RSFF provided the type of financing not available from other sources at the time, thereby demonstrating a high degree of financial additionality.

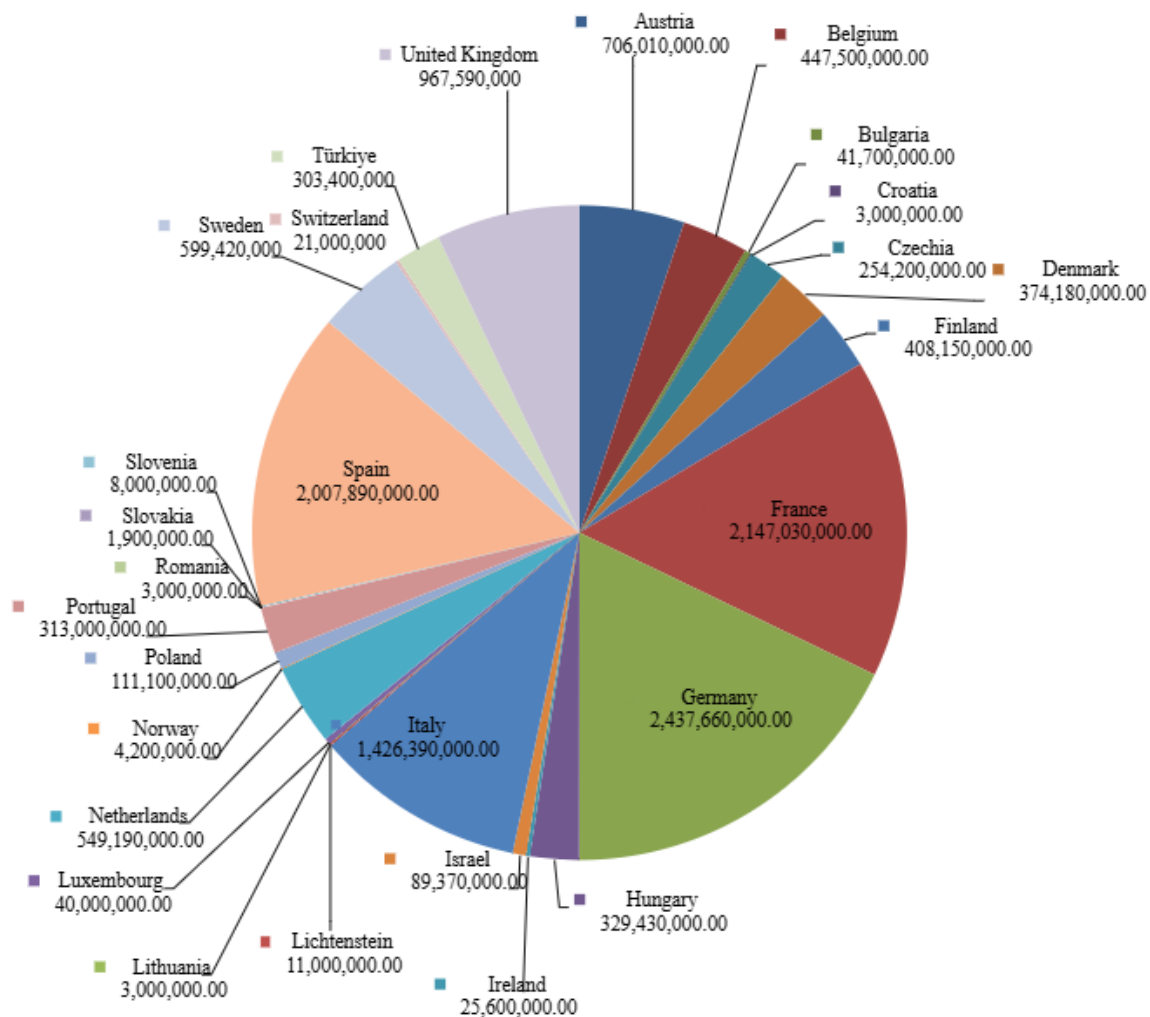
The introduction of the RSI facility in 2012, with its focus on SME innovation financing and use of financial intermediaries as a delivery mechanism, was innovative initiative to address market failures and boost investment in RDI. The ex-post evaluation of RSI concluded that the scheme directly addressed deep-seated



market failures with regard to innovation financing in Europe and the reluctance of commercial banks to support project perceived as being high risk. It suggests that the RSI provided the type of debt financing not available from other sources at the time, thereby demonstrating a high degree of financial additionality. The RSI facility was terminated at the end of 2024. The Risk-Sharing Instrument enabled support to 4,133 innovative SMEs and small midcaps.

## Geographical diversification

For RSFF, loan agreements have been implemented in 25 countries (the geographic breakdown below is based on the latest information available - source: RSFF ex-post operational report 2013) since no new agreements have been signed since 2014. The RSI facility covers 17 countries in the EU and Associated Countries. The graph below shows the distribution of the EUR 13.6 billion of financing provided to final recipients (EUR 11.3 billion by RSFF and EUR 2.3 billion by RSI).



## Main issues for the implementation

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

The RSI facility has been terminated end of 2024 and has paved the way to the financial instrument SMEs & Small Midcaps R&I Loans Service under Horizon 2020 which is implemented on a larger scale in term of budget, geographical coverage and specific target groups.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	1,230,730,000.00	1,230,730,000.00
Leverage effect	11.08	7.56
Multiplier effect	21.65	14.63
Operations	149	60
Financing provided to final recipients	13,633,910,000.00	9,301,000,000.00
Number of final recipients	4,247	3,060
Investments made by final recipients due to the received financing	26,642,400,000.00	18,000,000,000.00

## Financial Information

Financial Information (EUR)	Risk-Sharing Finance Facility (RSFF) & Pilot guarantee facility for R&I-driven SMEs and Small Midcaps (RSI) under the FP7		
Type of instrument	Risk-sharing (RSFF); Guarantee (RSI)		
Year of inception	2007 (RSFF); 2011 (RSI)		
Implementing Partner	EIB and EIF		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		0.00	1,230,730,000.00
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	1,230,730,000.00
<b>Reflows</b>	<b>(2)</b>		
Revenues		0.00	297,832,607.00
Repayments		85,401,716.81	1,124,093,046.81
Total reflows entered into the budget, of which:		85,401,716.81	1,421,925,653.81
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		85,401,716.81	1,421,925,653.81
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		495,001.00	87,400,002.00
Guarantee calls recovered		7,160,591.00	15,622,274.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	35,836,265.25
Incentive fees		0.00	22,831,000.00

Treasury management fees		11,012.00	6,571,653.80
Other charges		3,600.00	51,939,026.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	346,686,063.15
Net treasury result (including interest) (gains (+) / losses (-))		86,104,838.81	186,141,141.55
Net FX gains (+) / losses (-)		0.00	-110,683.90
Other revenues		0.00	15,852.43
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		0.00	4,771,000.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		9,482,042.00	13,824,977.74
<i>in euro</i>		9,482,042.00	13,824,977.43
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		4,512,877.29	73,206,909.58

### Notes to the financial information

- (1) The RSFF and RSI facilities have been fully executed in payment credits.
- (2) In line with Article 209(3) of the Financial Regulation, reflows were assigned to the Horizon 2020 financial instruments for research and innovation branded as InnovFin. In line with Article 35(1) of the InvestEU Regulation, 2024 reflows in the amount of EUR 85,401,716.81 were assigned to InvestEU.

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

N/A

## C. Social & Education

### 3.1.a Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantee (EaSI-G)

#### Description

Identification / Reference to the basic act			
Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347/238, 20.12.2013).			
Budget lines			
02.029902 under the current nomenclature			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	2,472,512.41	0.00	0.00

Initial financial envelope:	EUR 96,000,000.00
Current financial envelope <sup>54</sup> :	EUR 131,000,000.00
Overall financial envelope <sup>55</sup> :	EUR 131,000,000.00

#### General description



Financing provided: **EUR 3.605 bn**  
Investment realised: **EUR 5.048 bn**

The EaSI Microfinance and Social Entrepreneurship Guarantee was established through Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 establishing a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance facility for Employment and Social Inclusion (OJ L 347/238, 20.12.2013).

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

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

The EaSI Microfinance and Social Entrepreneurship Guarantee (EaSI-G) is implemented via direct guarantees and counter-guarantees. It provides

<sup>54</sup>Including EUR 1,000,000 committed for the Business Development Services Support pilot and excluding EUR 300,000,000 from EFSI.

<sup>55</sup>Including EUR 1,000,000 committed for the Business Development Services Support pilot and excluding EUR 300,000,000 from EFSI.

risk coverage in the form of capped guarantees to selected financial intermediaries who undertake to develop a portfolio of loans targeting eligible final recipients (vulnerable persons, micro and social enterprises).

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

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

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

From the above overall financial envelope of EUR 131,000,000, EUR 1,000,000 is earmarked for the implementation of the Business Development Services (BDS) Support pilot which is an additional component embedded in the EaSI Guarantee instrument. The purpose of BDS Support is to partially offset the costs incurred by Financial Intermediaries benefitting from an EaSI Microfinance Guarantee in view of offering Business Development Services to final recipients who qualify as Refugees and/or Migrants.

## **Duration**

The Microfinance and Social Entrepreneurship Guarantee has been running since June 2015. The implementation period (signatures of new operations with financial intermediaries) ended on 30/06/2024. The overall termination date is set on 31/12/2032 and the end of the EU guaranteed date is as well set on 31/12/2032.

## **Added value, final recipients and projects**

The instrument provides support not directly to final recipients, but rather to relevant financial intermediaries, i.e. microfinance providers and social enterprise finance providers. The EaSI-G guarantees are widely accessible to financial intermediaries (microcredit providers, both banks and non-banks, and social enterprise finance providers) to improve outreach to the hard-to-reach target groups, namely micro-enterprises (including vulnerable persons) and social enterprises.

The "Microfinance Guarantee financial instrument" targets:

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

The "Social Entrepreneurship Guarantee financial instrument" targets:

- Social enterprises, regardless of their legal form.

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

## Financial institutions involved in implementation

The European Investment Fund (EIF) is the entrusted entity for the implementation of the EaSI Microfinance and Social Entrepreneurship Guarantee. Information on financial intermediaries is available in the following link [http://www.eif.org/what\\_we\\_do/microfinance/easi/easi-signatures.pdf](http://www.eif.org/what_we_do/microfinance/easi/easi-signatures.pdf).

## Operational Performance

### Contribution to the achievement of the objectives of the programme

As of 31/12/2024, 168 Guarantee Agreements (with 163 of them currently active, 118 for Microfinance and 45 for Social Entrepreneurship) with 113 financial intermediaries have been signed in 31 countries (25 Member States and 6 Participating Countries) for a total guarantee cap amount of EUR 408,644,676 out of which EUR 308,299,962 from EaSI/EFSI resources.

Based on the latest data available<sup>56</sup>, at the end of 2024 the main results of the instrument are the following:

- Amount of financing already provided by the instrument to eligible final recipients: EUR 3,605,918,301 (EUR 2,453,337,650 for microfinance and EUR 1,152,580,651 for social entrepreneurship).
- Number of final recipients: 173,601 (166,606 microfinance and 6,995 for social entrepreneurship)<sup>57</sup>.
- Number of loans to micro and social enterprises: 206,106 (197,062 for microfinance and 9,044 for social entrepreneurship).
- Total estimated amount of investment realised: EUR 5,048,285,621 (EUR 3,434,672,710 for microfinance and EUR 1,613,612,911 for social entrepreneurship)<sup>58</sup>. Regarding the amount of private capital mobilised, it is included in the total estimated amount of investment realised (EUR 5.048 billion) since it represents the sum of the amount that the financial intermediaries provide as loans to the final recipients plus the final recipients' private funding resources.
- Total number of employees (in the supported micro and social enterprises): 554,872 (333,240 for microfinance and 221,632 for social entrepreneurship)<sup>59</sup>.
- For the EaSI-G microfinance window,<sup>60</sup> the gender breakdown shows that considerable outreach to women is already achieved (30.4% of the micro-borrowers guaranteed were women). In addition, 8.2% of individual micro-borrowers who received support under the instrument so far were either unemployed or inactive at the time they received their loan. Individuals who were final recipients of micro-loans were educated at secondary school level (39.5%). Regarding the age group, with respect to final recipients who are natural persons, the outreach to individuals in disadvantaged age groups (younger and older people combined) is 12.4%.
- For the EaSI-G social entrepreneurship window,<sup>61</sup> reporting data collected shows that 19.5% of the social enterprises benefitting from EaSI-G have as a main activity the integration of migrants, asylum seekers and refugees. The vast majority (87.1%) of the social enterprises supported have an annual turnover of less than EUR 2,000,000.

<sup>56</sup> EaSI - Annual Operational Report 2024, cumulative data as at 31/12/2024

<sup>57</sup> Total number of final recipients for both windows – excluding duplicates – equals 173,492. Some final recipients have benefitted from both windows as the sum of microfinance and social entrepreneurship number of final recipients suggest (173,601 compared to 173,492).

<sup>58</sup> The respective figures were calculated by applying an external multiplier factor of 1.4 which reflects the multiplier used under EFSI.

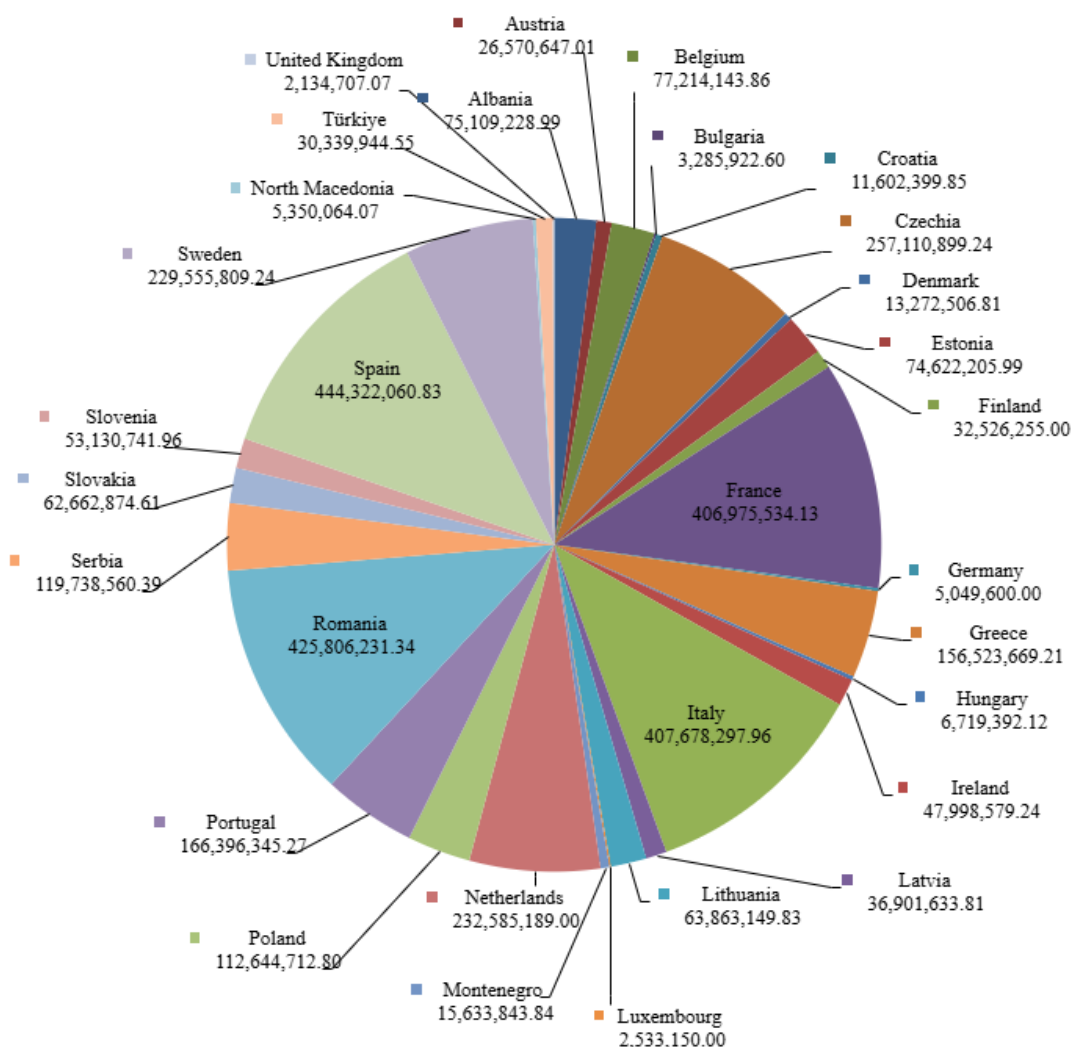
<sup>59</sup> Total number of employees for both windows – excluding duplicates.

<sup>60</sup> EaSI – Annual Impact Report 2024. The data used in this paragraph is based on a survey of a sample of micro-borrowers.

<sup>61</sup> EaSI – Annual Impact Report 2024. The data used in this paragraph is based on a survey of a sample of social enterprises.

## Geographical diversification

As at 30/09/2024, the EaSI-G is supporting the provision of financing in 31 countries (25 Member States and 6 Participating Countries) with the relevant breakdown presented here below (distribution by country of EUR 3,605,918,301 of financing provided<sup>62</sup>)



## Main issues for the implementation

At present, EaSI-G has been successfully deployed, showing continuous strong market demand. The EU budgetary commitments under the EaSI programme, along with the additional top up from EFSI of EUR 100,000,000 and EUR 200,000,000 in 2017 and 2018 respectively, have been fully utilised and have enabled the EIF to sign operations and keep pace with market demand. In the area of social entrepreneurship, despite the initial slower take up due in part to the novelty of the instrument, the initially allocated EU budget of EUR 40,000,000 has been fully deployed.

## Performance, financing and investments

As at 31/12/2024, based on the 168 signed Guarantee agreements for a total guarantee cap of EUR 408,644,676 out of which EUR 308,299,962 from EaSI/EFIS resources, the *expected* volumes of loans to final recipients are estimated to reach EUR 4,293,167,548, surpassing the overall minimum target loan volume (EUR 2,365,000,000). As for the actual leverage, the total guarantee cap of EUR 408,644,676 has so

<sup>62</sup> EaSI- Semi-annual Operational Report at 30/09/2024



far supported EUR 3,605,918,301 (data as at 30/09/2024) of new micro-loans and loans to social enterprises, suggesting an achieved leverage of 8.8.

The performance of the financial instrument is expected to out-perform the minimum target leverage factor and the minimum target loan volume. Performance results have been achieved also thanks to the top-up contribution from EFSI.

Key figures (EUR)	Actual	Target
EU Contribution committed	408,644,676.00	430,000,000.00
Leverage effect	8.82	5.50
Multiplier effect	12.35	7.70
Operations	168	226
Financing provided to final recipients	3,605,918,301.00	2,365,000,000.00
Number of final recipients	173,601	150,780
Investments made by final recipients due to the received financing	5,048,285,621.40	3,311,000,000.00

## Financial Information

Financial Information (EUR)	Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantees (EaSI-G)		
Type of instrument	Guarantee		
Year of inception	2015		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	131,000,000.00
<i>of which from third countries</i>		0.00	94,682.00
<i>of which from reflows</i>		0.00	40,883,451.13
Budgetary payments		2,472,512.41	136,837,381.00
<b>Reflows</b>	<b>(1)</b>		
Revenues		4,755,711.11	8,453,247.15
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		4,755,711.11	8,453,247.15
<i>to the general budget</i>		0.00	364,922.36
<i>returned to be used</i>		4,755,711.11	8,088,324.79
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		14,821,759.00	112,939,175.42
Guarantee calls recovered		0.00	1,299,710.46
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	9,038,651.89



Incentive fees		0.00	3,142,434.00
Treasury management fees		-47,885.00	366,018.00
Other charges		4,400.00	301,102.17
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	275,070.00
Net treasury result (including interest) (gains (+) / losses (-))		3,109,768.00	12,921,759.44
Net FX gains (+) / losses (-)		-322,729.00	-1,282,809.64
Other revenues		893.00	75,170.00
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		1,304,667.00	16,382,429.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		1,304,667.00	16,382,429.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		68,491,025.00	85,323,204.00
<i>in euro</i>		3,300,705.00	9,696,848.00
<i>in non-euro currencies</i>		65,190,320.00	75,626,356.00
Other financial assets (including short term deposits >3months)		1,608,034.00	1,548,500.00

### Notes to the financial information

(1) In line with Article 35(1) of the InvestEU Regulation, 2023 reflows in the amount of EUR 3,332,613.68 and 2024 reflows in the amount of 4,755,711.11 were assigned to InvestEU.

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

N/A

### 3.1.b EaSI Capacity Building Investments (EaSI CBI)

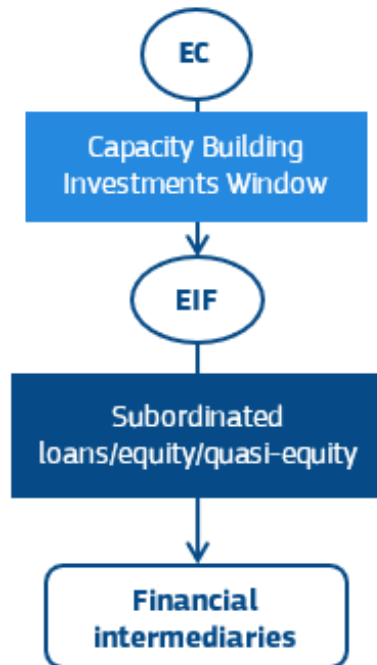
#### Description

Identification / Reference to the basic act			
Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347/238, 20.12.2013).			
Budget lines			
02.029902			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	0.00	0.00	0.00

Initial financial envelope:	EUR 16,000,000.00
Current financial envelope:	EUR 45,000,000.00
Overall financial envelope:	EUR 45,000,000.00

#### General description

The EaSI Capacity Building Investment Window ("EaSI Capacity Building") is one of the financial instruments under the Employment and Social Innovation ('EaSI') programme. The general objectives of the programme are described in Article 4 of Regulation (EU) No 1296/2013 are to promote employment and social inclusion by increasing the availability and accessibility of microfinance for vulnerable people who wish to start up a micro-enterprise as well as for existing micro-enterprises, and by increasing access to finance for social enterprises.



Financing provided: **EUR 40,966,244**  
Investment realised: **EUR 84,959,359**

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

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

The initial budget of this instrument was EUR 16,000,000. Due to the strong demand from the market, the overall financial enveloped has increased to EUR 45,000,000.

#### Duration

The EaSI Capacity Building Investments Window was introduced in the EaSI Delegation Agreement between the Commission and the EIF on 19/12/2016. The implementation period (signatures of new operations with financial intermediaries) ended on 30/06/2024. The termination date is set on 31/12/2032.

## Added value, final recipients and projects

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

## Financial institutions involved in implementation

The EaSI Capacity Building instrument is implemented by the European Investment Fund (EIF) on behalf of the European Commission.

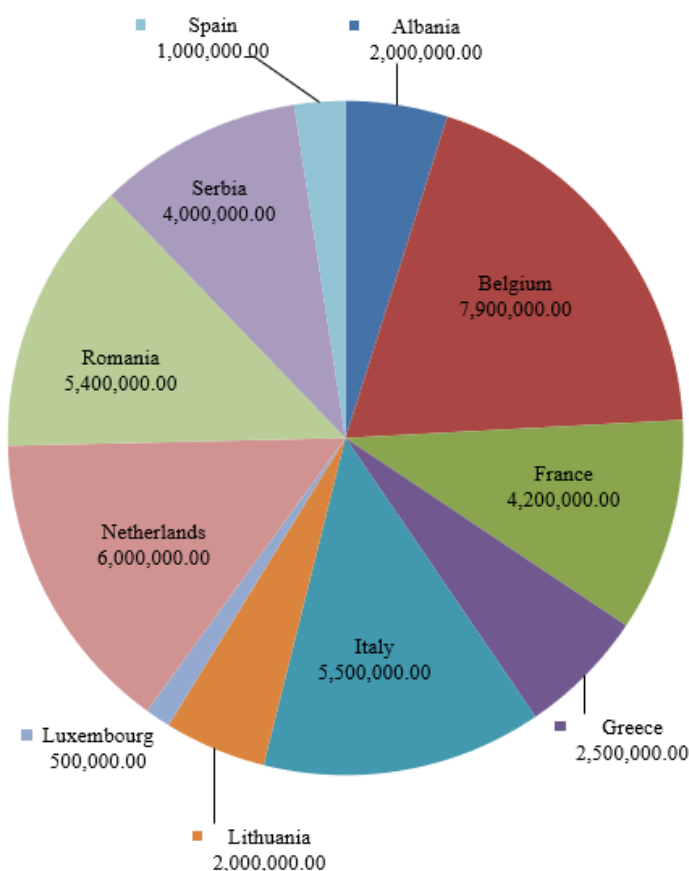
## Operational Performance

### Contribution to the achievement of the objectives of the programme

Until 31/12/2024, there were 19 signed operations of EU equity or subordinated loans participations, worth of EUR 40,966,244 with 19 financial intermediaries, covering 11 participating countries. The above-mentioned signed transactions involve investments a) in organisational development and expansion, including branch expansion, scaling up/building up of IT infrastructure and human resources such as recruitment and training of staff and b) in strengthening the operational and institutional capabilities contributing to the sustainability of a Financial Intermediary (including Greenfield Financial Intermediary) and the increase of their indebtedness capacity.

### Geographical diversification

By the end of 2024, there were 19 signed operations, providing financing to financial intermediaries in 11 countries:



## Main issues for the implementation

Until now, there were no specific issues identified regarding the implementation.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	40,966,244.00	41,364,666.00
Leverage effect	1.00	2.00
Multiplier effect	2.07	3.80
Operations	19	10 to 12
Financing provided to final recipients	40,966,244.00	82,729,332.00
Number of final recipients	19	10 to 12
Investments made by final recipients due to the received financing	84,959,359.00	157,185,731.00

## Financial Information

Financial Information (EUR)	EaSI Capacity Building Investments (EaSI CBI)		
Type of instrument	Equity		
Year of inception	2015		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	45,000,000.00
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	36,170,237.00
<b>Reflows</b>	<b>(1)</b>		
Revenues		1,045,139.90	1,334,142.53
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		1,045,139.90	1,334,142.53
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		1,045,139.90	1,334,142.53
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	3,819,335.70
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	2,778,915.00
Incentive fees		0.00	0.00

Treasury management fees		930.00	59,741.00
Other charges		0.00	99,525.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		1,904,619.30	6,717,482.38
Net treasury result (including interest) (gains (+) / losses (-))		0.00	0.00
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		38,406,539.43	37,687,922.00
Value of equity investments		5,032,422.00	4,804,394.00
<i>Investment at cost</i>		5,137,567.00	5,137,567.00
Value of loans		33,374,117.43	32,883,528.00
<i>Loans at cost</i>		34,723,849.44	34,722,510.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		2,593,693.00	2,883,225.00
<i>in euro</i>		2,593,693.00	2,883,225.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

- (1) In line with Article 35(1) of the InvestEU Regulation, 2021 reflows in the amount of EUR 38,693.98, 2023 reflows in the amount of EUR 250,308.65 and 2024 reflows in the amount of EUR 1,045,139.90 were assigned to InvestEU.

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

N/A

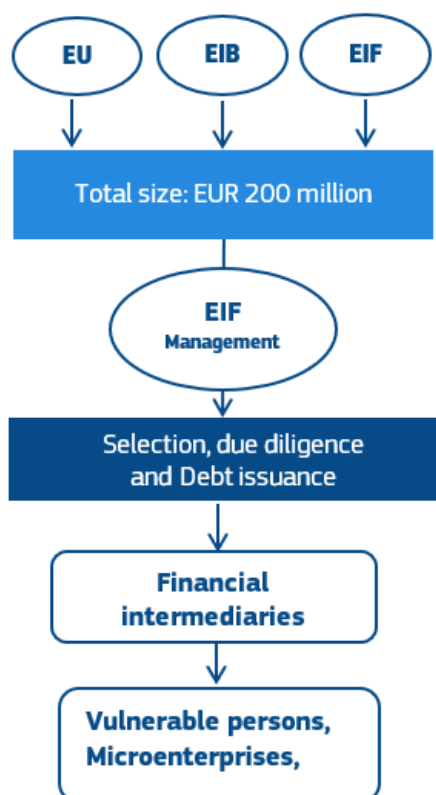
## 3.2. Employment and Social Innovation Sub-Fund (EaSI FIS)

### Description

Identification / Reference to the basic act			
Decision No 283/2010/EU of the European Parliament and of the Council of 25 March 2010 establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347/238, 20.12.2013).			
Budget lines			
02 02 99 02			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope:	EUR 67,000,000.00
Current financial envelope:	EUR 67,000,000.00
Overall financial envelope:	EUR 67,000,000.00

### General description



Financing provided: **EUR 275,995,955**  
Investment realised: **EUR 394,260,221**

The Employment and Social Innovation Sub-Fund is the second compartment of the EU Microfinance Platform FCP-FIS (the “Fund”), an umbrella fund with two sub-funds:

- The European Progress Microfinance Fund (‘EPMF FCP’); now in liquidation;
- The Employment and Social Innovation Fund (the ‘EaSI Sub-Fund’).

The EaSI Sub-Fund has an overall size of EUR 200,000,000 and is a partnership between the European Union, the European Investment Bank (EIB) and the European Investment Fund (EIF). The EU budget resources available to the EaSI Sub-Fund are set at EUR 67,000,000 as a first-loss piece investment. The EU will be the only equity-holder in the sub-fund. The European Investment Bank and the European Investment Fund will provide funding respectively under a senior loan facility of EUR 110,000,000 and a mezzanine loan facility of EUR 23,000,000.

The EaSI Sub-Fund is intended to support lending to micro-enterprises and social enterprises and is another addition to the toolbox of EU instruments dedicated to microfinance and social finance. It shall provide debt instruments in the form of senior and subordinated loans to financial intermediaries to enhance access to finance for micro-enterprises and social enterprises. On their part, the

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

### Duration

The EaSI Sub-Fund was established in 2019 for a limited duration ending on 31 December 2032. Its implementation period (signatures of new operations with financial intermediaries) was intended to run until

2023; an extension of the investment period was granted until 16 October 2024. The termination date is set on 31/12/2032, while the last maturity date is 21/12/2031.

### **Added value, final recipients and projects**

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

The EaSI Sub-Fund aims at replicating the success of its predecessor, the EPMF Sub-Fund, but has expanded its policy scope to also cover social enterprises.

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

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

### **Financial institutions involved in implementation**

The EaSI Sub-Fund is managed by the EIF as Management Company.

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

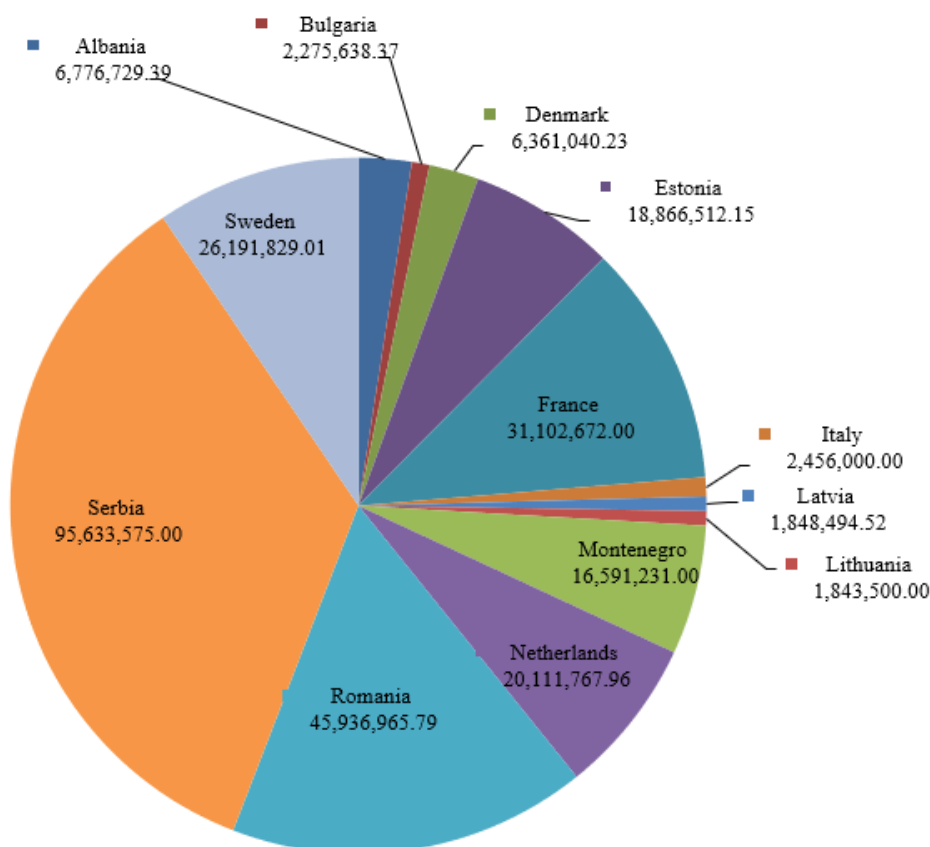
In total 37 agreements were signed in 10 Member States and 3 Participating Countries.

The main results as of 31/12/2024 (latest available operational data) are the following:

- Amount of financing already provided by the instrument to eligible final recipients: EUR 275,995,955.
- Number of final recipients: 24,605 (24,354 for microfinance and 251 for social entrepreneurship).
- Number of loans to micro- and social enterprises: 29,210 (28,949 for microfinance and 261 for social entrepreneurship).
- Total amount of investment realised: EUR 394,260,221.
- Total number of employees: 58,435 (51,973 for microfinance and 6,462 for social entrepreneurship).

### **Geographical diversification**

At 31/12/2024, the distribution of financing to eligible final recipients was as follows:



### Main issues for the implementation

The initial pace of implementation was quite slow, mainly due to the preparatory legal work and to the delays caused by the COVID-19 pandemic, which shifted the focus on the development of immediate and urgent measures to address its the adverse effects on final recipients.

However, at the end of 2024, a loan volume of almost EUR 276 million was signed with financial intermediaries. The instrument is believed to provide indeed an incentive for financial intermediaries to increase access to, and availability of, microfinance and to support the development of the social investment market and facilitate access to finance for social enterprises.

### Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	67,000,000.00	67,000,000.00
Leverage effect	4.12	4.48
Multiplier effect	5.88	6.40
Operations	37	N/A
Financing provided to final recipients	275,995,955.00	300,000,000.00
Number of final recipients	24,605	N/A
Investments made by final recipients due to the received financing	394,260,221.72	428,550,000.00

### Financial Information

Financial Information (EUR)	Employment and Social Innovation Sub-Fund (EaSI FIS)
Type of instrument	Dedicated investment vehicle (equity)



Year of inception	2019		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		0.00	67,000,000.00
<i>of which from third countries</i>		0.00	29,136.00
<i>of which from reflows</i>		0.00	27,969,379.57
Budgetary payments		0.00	67,000,000.00
<b>Reflows</b>			
Revenues		0.00	0.00
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		0.00	0.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	0.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		0.00	0.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))		0.00	0.00
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		64,632,571.00	62,256,760.00
Value of equity investments		64,632,571.00	62,256,760.00
<i>Investment at cost</i>		67,000,000.00	67,000,000.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		0.00	0.00

<i>in euro</i>		0.00	0.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00

### Notes to the financial information

(1) The EU contribution in commitments was finalised in 2020, reaching 100% of the Fund's capital amount. The commitments have been paid in full.

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

N/A

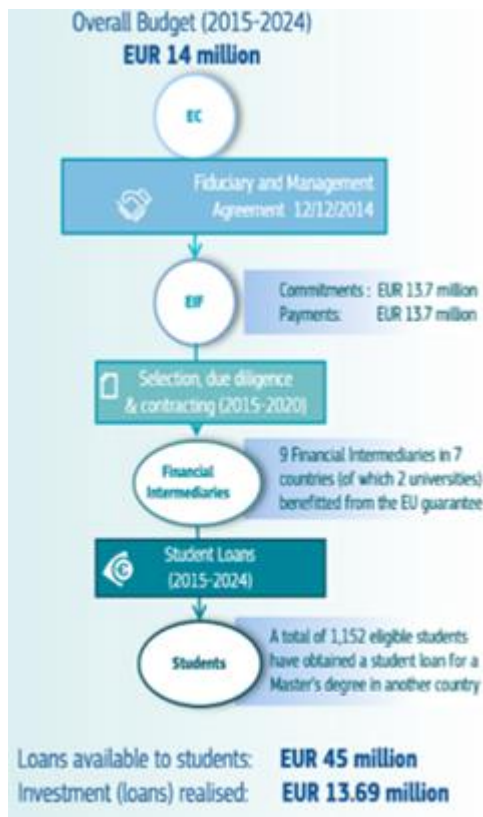
### 3.3 Erasmus+ Student Loan Guarantee Facility (SLGF)

#### Description

Identification / Reference to the basic act			
Regulation (EU) No 1288/2013 of the European Parliament and of the Council of 11 December 2013 establishing 'Erasmus+': the Union programme for education, training, youth and sport and repealing Decisions No 1719/2006/EC, No 1720/2006/EC and No 1298/2008/EC (Text with EEA relevance)			
Budget lines			
02.029910 (new nomenclature - previously: 15.020101 (EAC))			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	-200.000,00	0,00	0,00
Budgetary payment appropriations	0,00	0,00	0,00

Initial financial envelope <sup>63</sup> :	EUR 517,000,000.00
Current financial envelope <sup>64</sup> :	EUR 13,711,503.00
Overall financial envelope <sup>65</sup> :	EUR 13,711,503.00

#### General description



The Student Loan Guarantee Facility (SLGF) was piloted under the Erasmus+ programme (2014-2020), aiming to support transnational student mobility, equity and study excellence via guarantees to financial intermediaries that agree to providing student loans to students moving for their Master's studies to another Erasmus+ Programme country, regardless of the student's social background and with favourable lending conditions. The EU capped guarantee (90% at individual level, 18% at portfolio level) thus mitigates the risk of lending to a group that financial intermediaries would otherwise not consider or find too risky.

#### Duration

The Fiduciary and Management Agreement was signed in December 2014. The SLGF scheme started in June 2015, with 2020 as the final year of its implementation period. The scheme has not been renewed under Erasmus+, as the focus on student mobility was perceived too narrow, but EU-guaranteed student lending support is still provided under the InvestEU programme, building on the SLGF experience and following a successful testing phase through a Skills & Education Guarantee Pilot launched in 2020. The agreed termination date of the SLGF is 31 December 2039.

<sup>63</sup> Max. 2.5% of the total 'Erasmus+' budget Regulation (EU) No 1288/2013.

<sup>64</sup> An outstanding commitment (provision) of EUR 200,000 was decommitted in 2024 as no further payments to SLGF's Fiduciary Account are expected, as confirmed by the EIF.

<sup>65</sup> Final EU Commitments to the Erasmus+ Student Loan Guarantee Facility at end of the implementation period.

## Added value, final recipients and projects

Master graduates make an increasingly important contribution to innovation and entrepreneurship in Europe as the need for higher skills grows, for example in order to support the digital and green transition. Access to finance is all the more difficult for students who want to study abroad, although this is an economically rewarding and personally enriching experience, which also benefits society at large.

As a contribution to tackling skills gaps in Europe, the Erasmus+ Student Loan Guarantee Facility aimed to increase access to finance in order to enable students, regardless of their social background, to take a Master's Degree in another Erasmus+ programme country. This student loan scheme for a full master at a university abroad thus complemented the shorter-duration Erasmus+ grants scheme for student mobility (based on the recognition by the home university of study credits obtained abroad).

The funding of student loans by private banks is unlocked through a public subsidy, which takes the form of a 90% guarantee on the repayment of individual loans, up to 18% of the portfolio volume of banks, and valid for 15 years. The Student Loan Guarantee Facility was integrated in the Erasmus+ programme (2014-2020) on a pilot basis; its concept is being further pursued under InvestEU Social Investment and Skills window.

While the SLGF scheme was implemented through financial intermediaries in only 7 Erasmus+ programme countries, it operated as a fully European scheme since nearly all countries were involved in one way or another: either as a country from which students were seeking funding to pursue a Master's degree abroad, or as a destination country for carrying out these Master studies (or for both cases).

## Financial institutions involved in implementation

## Operational Performance

### Contribution to the achievement of the objectives of the programme

- While during this legacy period 8 financial intermediaries are still involved in 7 Erasmus+ programme countries, the scheme was no longer available to Master students in 2024. By end 2024 a total of 1,152 students had effectively benefited from EUR 13.69 million in EU-guaranteed Master loans.
- Beneficiary surveys have been carried out for the period 2016-2022, with consistently positive results<sup>66</sup>: the concept is clearly valued by students, (with satisfaction rates well above 70%) and they communicate that it has a particular 'graduate premium' in the labour market.
- The Erasmus+ SLGF pilot has been pioneering a number of innovative implementation modes, e.g. offering deferred payment through education and training providers. Its learning was used in the design of the Skills & Education Guarantee Pilot (operational since 2021) and is being further pursued under InvestEU Social Investment and Skills window.
- The broader scope of final recipients (targeting a wider range of individual students and learners, as well as of institutions requiring and providing education and skills) is positively considered, as demonstrated by a high level of interest from financial intermediaries in a very short timeframe.
- The EIF is further promoting and extending this type of financial instrument, under the Social Investment and Skills window of InvestEU throughout 2021-2027, supporting more financial intermediaries and final recipients who can benefit from education and skills related financial support.

## Geographical diversification

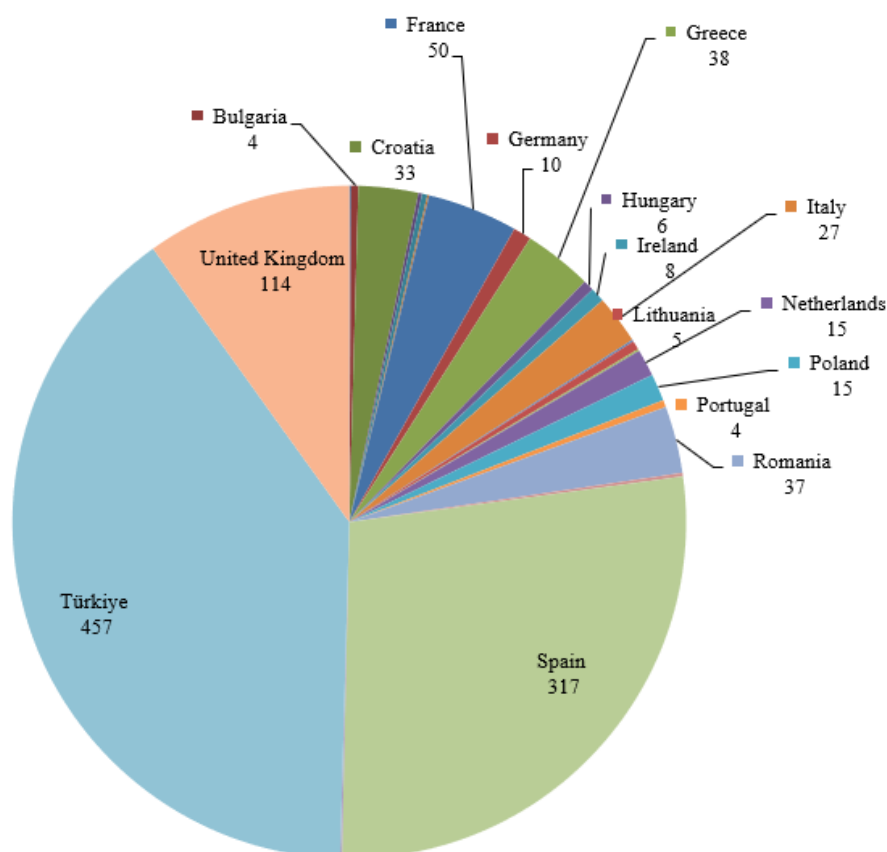
Despite being available only in 7 countries, the scheme had a substantial European and international dimension as it allowed 1,152 students from 41 countries to study in one of the Erasmus+ programme countries (including Iceland, Norway and Türkiye.)

<sup>66</sup> The beneficiary surveys had an exceptionally high response rate around 50% annually, testifying to the commitment of the final recipients to this financial instrument.

Country	Country of residence when applying	Country where Bachelor's Degree was obtained	Country of destination for Master's Degree
Argentina		1	
Australia		1	
Austria	1	2	21
Belgium			59
Bosnia and Herzegovina		2	
Brazil		2	
Bulgaria	4	4	
Canada		1	
Croatia	33	27	
Cyprus	2	1	12
Czechia	3	3	9
Denmark		1	37
Estonia	1	1	2
Finland			16
France	50	46	65
Germany	10	8	194
Greece	38	35	4
Hungary	6	3	8
Iceland			3
India		1	
Ireland	8	10	25
Italy	27	24	100
Latvia	1		
Lithuania	5	4	2
Luxembourg	1		3
Malta			2
Nepal		1	
Netherlands	15	24	133
North Macedonia	1	1	3
Norway			16
Poland	15	8	38
Portugal	4	4	7
Romania	37	34	1
Slovakia			1
Slovenia	2	2	3
Spain	317	294	183
Sweden			55
Türkiye	457	457	
United Kingdom	114	143	150

Country	Country of residence when applying	Country where Bachelor's Degree was obtained	Country of destination for Master's Degree
United States		6	
Venezuela		1	

The graph below shows the geographical diversification of SLGF final recipients based on their residence of origin.



Total Number of Erasmus+ SLGF Final Recipients having received financing  
Graphical representation by country of origin

### Main issues for the implementation

The pilot scheme had a much lower yield than initially envisaged (at supply side [financial intermediaries], as well as demand side [student beneficiaries]). In the light of this low take-up, the EIF and the European Commission maintained their commitment to the policy objectives but downsized the budgetary allocations and reallocated them to the Erasmus+ programme's higher education activities (mainly student mobility).

The learning from the SLGF experience (broadening the scope of the target population and of financial intermediaries, incl. education and training institutions) has been carried forward into the design of the Skills & Education Guarantee Pilot, successfully tested in 2020 under the EFSI programme and continues under the InvestEU Social Investment and Skills window.

### Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	13,711,503.00	50.000.000,00
Leverage effect	1.00	6.20
Multiplier effect	1.00	6.20

Key figures (EUR)	Actual	Target
Operations	7	27
Financing provided to final recipients	13,691,272.00	310,000,000.00
Number of final recipients	1,152	25,833
Investments made by final recipients due to the received financing	13,691,272.00	310,000,000.00

## Financial Information

Financial Information (EUR)	Erasmus+ Student Loan Guarantee Facility		
Type of instrument	Guarantee		
Year of inception	2015		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments	(1)	-200,000.00	13,711,503.00
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	13,711,503.00
<b>Reflows</b>			
Revenues		0.00	1,573,186.91
Repayments		614,273.40	8,982,442.40
Total reflows entered into the budget, of which:		614,273.40	10,555,629.31
<i>to the general budget</i>	(2)	0.00	1,573,186.91
<i>returned to be used</i>	(3)	614,273.40	8,982,442.40
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		60,826.86	586,025.69
Guarantee calls recovered		12,041.16	55,309.16
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	4,783,083.00
Incentive fees		0.00	1,806,750.00
Treasury management fees		2,194.00	75,020.00
Other charges		0.00	7,921.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))		148,539.00	2,422,739.38
Net FX gains (+) / losses (-)		-13,975.00	-3,873,351.22
Other revenues		0.00	70.00
	Notes	2024	2023

<b>Risk exposure</b>			
Maximum financial risk exposure		1,530,700.00	2,282,410.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		287,421.00	393,675.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		1,657,298.10	2,240,702.00
<i>in euro</i>		1,520,930.00	2,093,639.00
<i>in non-euro currencies</i>		136,368.00	147,063.00
Other financial assets (including short term deposits >3months)		1,072,313.00	1,032,613.51

### Notes to the financial information

- (1) An outstanding commitment (provision) of EUR 200,000 was decommitted in 2024 as no further payments to SLGF's Fiduciary Account are expected, as confirmed by EIF. This allowed for the repayment of EUR 614,273.40 since this amount is no longer required to cover outstanding guarantees (see also line footnote (3).)
- (2) At the end of the SLGF facility's deployment period (end-2020) an amount of EUR 1,484,039.85 of interest revenues had been yielded by the asset management (mainly on non-euro currencies TRY and GBP) and were returned to the general budget in accordance to Article 209(3) FR. Similarly, interest revenues for 2021 and 2022 amounting to EUR 89,147.06 were returned to the EU budget.
- (3) Furthermore, as the Student Loan Guarantee Facility had not been fully deployed according to initial expectations, an amount of EUR 8,368,169 excess cash has been returned to the EU. In line with Article 35(1) of the InvestEU Regulation, 2024 reflows in the amount of EUR 614,273.40 were assigned to InvestEU

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

N/A



## D. SMEs

### 4.1 COSME<sup>67</sup> Loan Guarantee Facility (LGF)

#### Description

Identification / Reference to the basic act			
Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC (OJ L 347, 20.12.2013, p. 33)			
Budget lines			
02.029901 under the current nomenclature			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	37,273,541.00	11,814,134.39	400,000.00

Initial financial envelope <sup>68</sup> :	EUR 717,000,000.00
Current financial envelope <sup>69</sup> :	EUR 2,686,952,802.66
Overall financial envelope <sup>70</sup> :	EUR 2,686,952,802.66

#### General description

Regulation (EU) No 1287/2013 on the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) (2014-2020) establishes two financial instruments with the aim of facilitating access to finance for Small and Medium-sized Enterprises (SMEs). One of the financial instruments is a debt instrument, i.e., the COSME Loan Guarantee Facility (LGF).

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

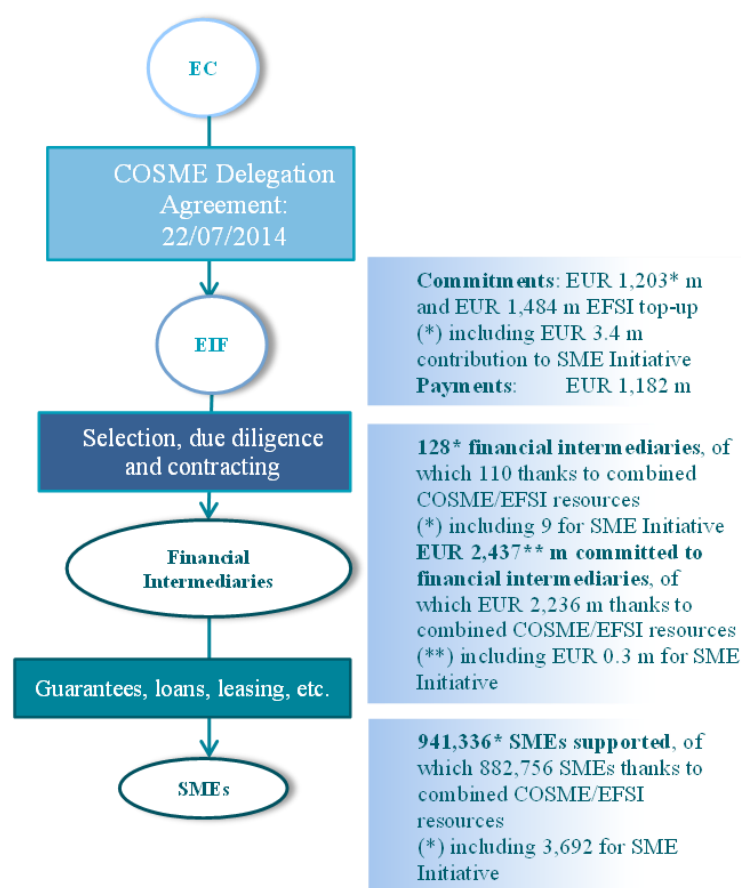
The LGF covers, except for loans in the securitised portfolio, loans up to EUR 150,000 and with a minimum maturity of 12 months. It may also cover loans above EUR 150,000 in cases where SMEs do not meet the innovation criteria specified in the InnovFin SME Guarantee Facility (which is covered in chapter 4.3 Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee). Individual transactions can be guaranteed for up to 10 years.

<sup>67</sup> Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)

<sup>68</sup> The COSME basic act provides that no less than 60% of the total financial envelope for the implementation of the COSME programme shall be allocated to the financial instruments. Based on the estimated distribution between the loan guarantee and equity facility in the legislative statement accompanying the COSME basic act, 52% of the overall budget was set out to be allocated to the LGF and 48% to the other COSME financial instrument (Equity Facility for Growth (EFG), however subsequently the largest part of the available budget was made available for the LGF based on market demand.

<sup>69</sup> It includes EUR 1,484,000,000 as European Fund for Strategic Investments (EFSI) top-up and EUR 1,202,952,802.66 as LGF own budgetary resources, including EUR 3,400,000, which are earmarked for the SME initiative.

<sup>70</sup> It includes EUR 1,484,000,000 as EFSI top-up and EUR 1,202,952,802.66 as LGF own budgetary resources, including EUR 3,400,000, which are earmarked for the SME initiative.



Financing provided: **EUR 58,394\* m**, of which EUR 55,266 m thanks to combined COSME/EFSI resources (\*) including EUR 660 m for SME Initiative  
 Investment realised: **EUR 73,000\*\* m**, of which EUR 69,090 m thanks to combined COSME/EFSI resources (\*\*) including EUR 825 m for SME Initiative

The LGF is implemented by the European Investment Fund (EIF) on behalf of the European Commission represented by Directorate-General Internal Market, Industry, Entrepreneurship and SMEs (DG GROW). The Delegation Agreement signed with the EIF in 2014 ensured that the LGF was accessible for a broad range of financial intermediaries (guarantee societies, national promotional institutes, commercial banks, cooperatives, etc.) with experience and capacity to enter into new financial transactions with SMEs. The LGF also contributes to the financial instruments deployed under the SME Initiative, a joint instrument combining COSME and/or Horizon 2020 EU funds and ESIF resources in cooperation with EIB/EIF with a view to generate additional lending to SMEs in specific Member States.<sup>71</sup>

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

### Duration

The agreement for the LGF was signed in 2014 with the EIF. The programme period of the LGF is from 2014 to 2020, when budgetary commitments were made. The application period for financial intermediaries was closed in 2020. The selected financial intermediaries built up portfolios of new loans, bank guarantees, leasing transactions, etc. over a period of usually between 2 to 3 years. In the process of creating these portfolios, the financial intermediaries signed agreements with SMEs by providing them loans, bank guarantees, leases, etc. The LGF provides an EU guarantee for up to ten years after the date of signature of the relevant agreements with SMEs, but not beyond 31 December 2034, until when the LGF is expected to operate (i.e. until last operations are wound down).

### Added value, final recipients and projects

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

<sup>71</sup> The LGF contribution to the SME Initiative Italy (securitisation option) is also covered in chapter 4.9 (SME Initiative).

## Financial institutions involved in implementation

The EIF was responsible for evaluating and selecting the financial intermediaries. The related open call for expression of interest for financial intermediaries is published<sup>72</sup> by the EIF. However, applications are no longer accepted as the programming period ended in 2020.

List of the selected LGF financial intermediaries is also available at the EIF website<sup>73</sup>.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

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

In reaction to the 2020 COVID crisis, EUR 714 million from the EFSI were redirected to the LGF to allow the EIF to incentivise banks to provide liquidity to SMEs affected by the COVID crisis. More flexibility was given to users of the LGF, and the guarantee rate was increased from 50 to 80%. So far (as of 31/12/2024), this helped more than 130,000 European SMEs to access more than EUR 10 billion of liquidity finance under the COSME COVID measure.

In terms of total investment realised, a maximum amount of financial support of up to EUR 68 billion will be made available to SMEs that otherwise would not be able to get the financing they need. The financing provided triggers significant additional investments of 21-29% by the SMEs, with medium or large SMEs investing higher amounts than small ones.<sup>74</sup> The investments realised are estimated<sup>75</sup> at EUR 73 billion by the end of 2024.

### Geographical diversification

By the end of 2024, the LGF provided guarantees and counter-guarantees to financial intermediaries located in 33 countries (25 Member States and 8 countries participating to COSME) which supported the distribution of EUR 58 billion financing<sup>76</sup> to more than 900,000 SMEs<sup>77</sup>:

<sup>72</sup> [https://www.eif.org/what\\_we\\_do/guarantees/single\\_eu\\_debt\\_instrument/cosme-loan-facility-growth/index.htm](https://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/cosme-loan-facility-growth/index.htm)

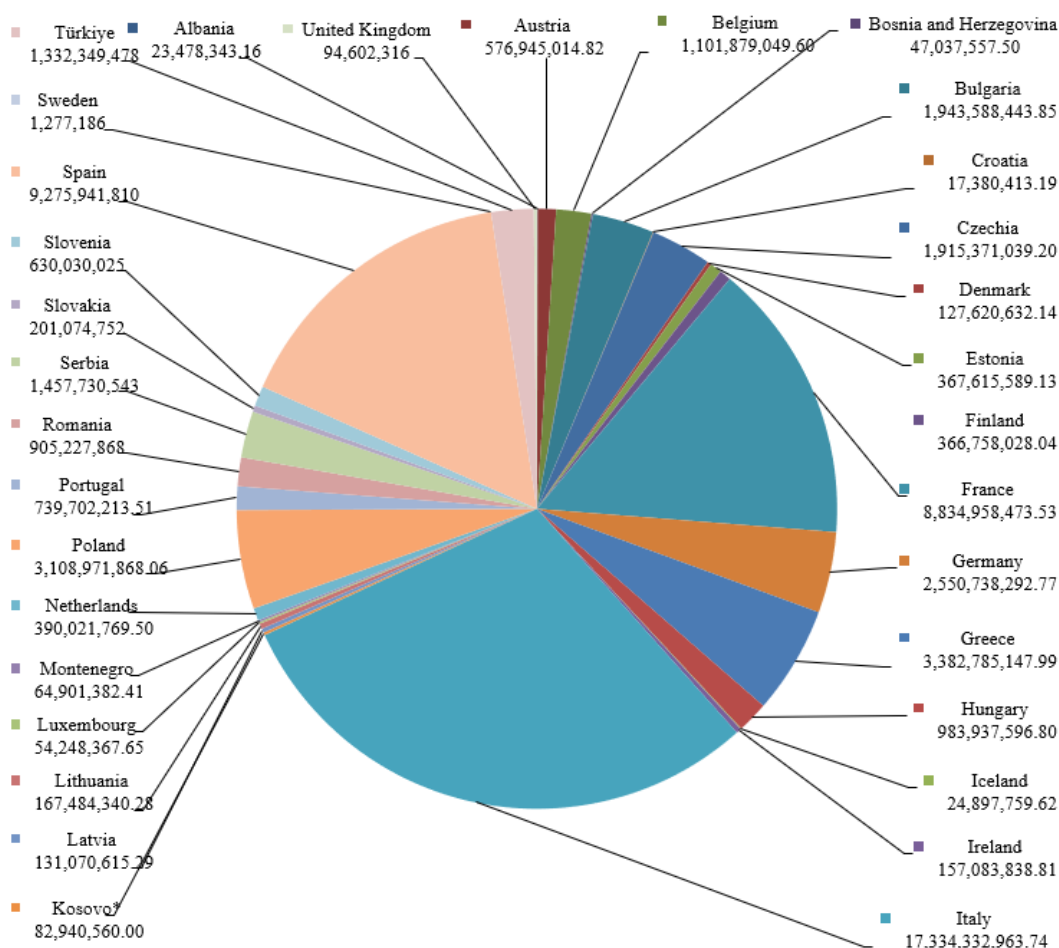
<sup>73</sup> [https://www.eif.org/what\\_we\\_do/guarantees/single\\_eu\\_debt\\_instrument/cosme-loan-facility-growth/index.htm](https://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/cosme-loan-facility-growth/index.htm)

<sup>74</sup> Cf. results of a survey carried out as part of the COSME interim evaluation, Final report: <https://ec.europa.eu/docsroom/documents/28084>.

<sup>75</sup> Using a proxy of 1.25 between financing and investment amount.

<sup>76</sup> It also includes EUR 660 million of financing provided within the SME Initiative. Out of the EUR 58 billion financing, EUR 55 billion are provided thanks to combined COSME/EFSI resources.

<sup>77</sup> It includes 3,692 SMEs supported within the SME Initiative. Out of more than 900,000 SMEs supported, more than 800,000 SMEs are supported thanks to combined COSME/EFSI resources.



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

## Main issues for the implementation

Overall, there were no particular critical risks as per the period up to the end of 2024.

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

## Performance, financing and investments

For the programme period 2014-2020, overall EUR 2.5 billion<sup>78</sup> has been engaged in helping SMEs that otherwise would not be able to get the financing they need. It allowed 163 EU guarantees to be provided to 128 financial intermediaries<sup>79</sup>. These guarantees assure that more than 900,000 SMEs<sup>80</sup> receive the financial support they need. The support amounts to EUR 58 billion<sup>81</sup>. This triggers mobilisation of additional private capital.

<sup>78</sup> The EUR 2.5 billion include EUR 0.3 million for the SME Initiative. Out of EUR 2.5 billion, EUR 2.2 billion are achieved thanks to combined COSME/EFSI resources.

<sup>79</sup> Out of the 128 financial intermediaries, 110 are achieved thanks to combined COSME/EFSI resources. Out of the 128 financial intermediaries, 9 are participating in the SME Initiative.

<sup>80</sup> Out of the 941,336 supported SMEs, 882,756 SMEs are supported thanks to combined COSME/EFSI resources. In the 941,336 supported SMEs are also included 3,692 supported SMEs within the SME Initiative.

<sup>81</sup> Out of the EUR 58 billion financial support provided, EUR 55 billion was achieved thanks to combined COSME/EFSI resources. The EUR 58 billion financial support also includes EUR 660 million provided via the SME Initiative.

This way, the LGF achieved the leverage target range between 20 and 30 as defined in the basic act.

No additional operations are planned to be signed after the reporting period (i.e., after the end of 2024) as the application period for financial intermediaries has been also closed in 2020.

Key figures (EUR)	Actual	Target
EU Contribution committed	2,514,522,906	717,000,000
Leverage effect	23	from 20 to 30
Multiplier effect	29	Not available*
Operations	163	Not available*
Financing provided to final recipients	58,393,983,276	from 14,300,000,000 to 21,500,000,000
Number of final recipients	941,336	from 220,000 to 330,000
Investments made by final recipients due to the received financing	73,000,000,000	Not available*

\* No targets were set out in the basic act.

During its implementation period, the LGF was initially assessed twice in 2017: first by the European Court of Auditors<sup>82</sup> and secondly as part of COSME's interim evaluation<sup>83</sup>. Both assessments show that the LGF performs successfully. It is properly designed to help SMEs, which would otherwise struggle to obtain finance, to increase total assets, sales and employees when compared to the general SME population. The impact of the facility could be further strengthened by coordinating better with Member States' activities. The additionality was identified as 63%, almost achieving the target of 64% as per the basic act. The interim evaluation concluded that for each EUR 1 million invested into the LGF (effects fully attributable to the LGF), SMEs will benefit via 491 additional jobs created and EUR 22 million in additional turnover.

Based on lessons learned from audits and other assessments, the Commission proposed to set up one single programme (InvestEU Programme 2021-2027) establishing one single fund (the InvestEU Fund). It builds on the successful model of the EFSI. The InvestEU Fund ensures a streamlined approach towards the management and reporting on financial instruments/budgetary guarantees. Under the InvestEU Fund, financial products catering towards the Commission's policy priorities, including the financing of SMEs, are established<sup>84</sup> and SMEs can apply for financing<sup>85</sup>.

Furthermore in 2024, the COSME's final evaluation has been finalised<sup>86</sup>. As a result, the LGF has been assessed for a third time. The evaluation confirms the contribution of the instrument to the SMEs' competitiveness by: (i) filling the gap in financing for SMEs; (ii) ensuring availability of financial support for riskier businesses that for example did not have collateral; and (iii) by expanding access to finance for specific segments of the SME market, particularly those experiencing higher loan rejection rates, such as sole proprietorships, microenterprises, and start-ups.

The final evaluation analysis demonstrates a positive and significant impact on the number of employees and the survival rates of SMEs, but potentially under-represents the impacts on turnover and total assets as

<sup>82</sup> Special report No 20/2017: EU-funded loan guarantee instruments: positive results but better targeting of recipients and coordination with national schemes needed, available at: <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=44174>.

<sup>83</sup> Interim evaluation of the COSME Programme, Final report available at: <https://ec.europa.eu/docsroom/documents/28084>.

<sup>84</sup> [www.eif.org/InvestEU/index.htm](http://www.eif.org/InvestEU/index.htm)

<sup>85</sup> [www.access2finance.eu](http://www.access2finance.eu)

<sup>86</sup> Final evaluation of the COSME Programme, Staff working document available at: [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13399-COSME-programme-evaluation\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13399-COSME-programme-evaluation_en).

already outlined in the COSME's interim evaluation. At the same time, the additionality was identified as 85%, which exceeds the target of 64% as per the basic act.

## Financial Information

Financial Information (EUR)	COSME Loan Guarantee Facility (LGF)		
Type of instrument	Guarantee		
Year of inception	2014		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		0.00	1,202,952,802.66
<i>of which from third countries</i>		0.00	47,706,615.00
<i>of which from reflows</i>		0.00	1,949,541.44
Budgetary payments		37,273,541.00	1,181,843,288.00
<b>Reflows</b>	<b>(2)</b>		
Revenues		28,333,080.42	28,333,080.42
Repayments		0.00	14,656,477.84
Total reflows entered into the budget, of which:		28,333,080.42	42,989,558.26
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		28,333,080.42	42,989,558.26
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		165,242,083.00	800,503,788.00
Guarantee calls recovered		19,214,030.00	69,089,834.19
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>	<b>(3)</b>		
Administrative fees		0.00	33,682,677.47
Incentive fees		0.00	38,494,489.69
Treasury management fees		354,549.00	2,722,103.00
Other charges		0.00	12,412.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		23,619.00	179,625.68
Net treasury result (including interest) (gains (+) / losses (-))		22,273,685.00	86,314,586.44
Net FX gains (+) / losses (-)	<b>(4)</b>	-3,314,819.00	-34,574,943.28
Other revenues		0.00	16,376.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		377,528,218.00	525,661,714.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00



Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		304,429,308.00	337,817,470.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		381,172,058.00	500,111,335.00
<i>in euro</i>		92,569,457.00	151,004,810.00
<i>in non-euro currencies</i>		288,602,601.00	349,106,525.00
Other financial assets (including short term deposits >3months)		14,698,125.00	14,153,961.00

## Notes to the financial information

- (1) The financial envelope available is composed of the amounts committed towards the LGF for the years 2014-2020 in line with the amounts allocated towards the LGF in 2014-2020 as set out in the adopted COSME work programmes. At the end of 2020, all commitment appropriations as authorised by the European Parliament and the Council of the EU for the period 2014-2020 were used in line with the planned operational implementation. The LGF has a rather accelerated budgetary implementation ratio, with a 98% budgetary execution rate of payments in comparison to commitments as of 31 December 2024.
- (2) In line with Article 35(1) of the InvestEU Regulation (EU) 2021/523, 2022 reflows in the amount of EUR 1,389,493.65, 2023 reflows in the amount of 13,266,984.19 and 2024 reflows in the amount of EUR 28,333,080.42 were assigned to InvestEU (total amount of reflows assigned to InvestEU of EUR 42,989,558.26).
- (3) All management fee payments to the EIF were correctly executed within the contractual limits set. In 2020 the overall agreed management fee limits were reached resulting in zero charges for administrative costs and incentive fees for the following years.
- (4) Payment appropriations are needed to allow the implementation partner (the European Investment Fund) to honour guarantee calls from financial intermediaries for defaulting loans and to hedge currency exposures (as a large number of financing is made available to SMEs in countries which are not part of the euro zone).

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

Minding nature and design of the LGF, there is no direct link between the validation time of the budgetary commitments by the Authorising Officer in the Commission accounting system and the signature of agreements between the financial intermediaries and final recipients in a reporting year.

Budgetary commitments were authorised based on (i) the pipeline of continuous applications from financial intermediaries and (ii) yearly budget resources needed for signatures between the EIF and the financial intermediaries. Once the applications were approved, agreements were signed between the EIF and the respective financial intermediaries. They had then a contractual obligation to build up portfolios of new loans, bank guarantees, leasing transactions, etc. over of period usually between 2 and 3 years. In the process of creating these portfolios, the financial intermediaries signed agreements with final recipients by providing them loans, bank guarantees, leases, etc.

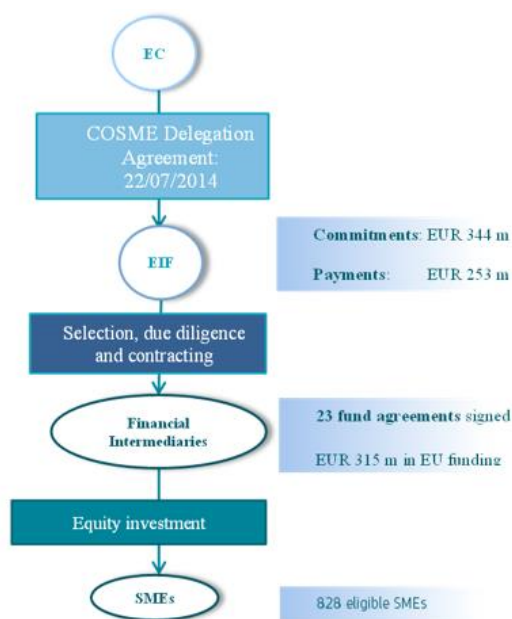
## 4.2 COSME<sup>87</sup> Equity Facility for Growth (EFG)

### Description

Identification / Reference to the basic act			
Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC (OJ L 347, 20.12.2013, p. 33)			
Budget lines			
02.029901 under the current nomenclature			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	33,254,425.00	37,326,207.00	39,000,000.00

Initial financial envelope <sup>88</sup> :	EUR 662,000,000.00
Current financial envelope:	EUR 343,939,785.77
Overall financial envelope:	EUR 343,939,785.77

### General description



Financing provided: **EUR 6,421 m**

Investment realised: **EUR 12,000 m**

The Regulation (EU) No 1287/2013 on the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) (2014-2020) establishes two financial instruments with the aim of facilitating access to finance for Small and Medium-sized Enterprises (SMEs). One of the financial instruments is an equity instrument, i.e. the COSME Equity Facility for Growth (EFG).

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

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

The EFG is implemented by the European Investment Fund (EIF) on behalf of the Commission, as a window of a single European Union equity financial instrument supporting EU

enterprises' growth and research and innovation from the early stage, including seed, up to the growth stage. It focuses on funds that provide venture capital and mezzanine finance, such as subordinated and participating loans, to expansion and growth-stage enterprises, in particular those operating across borders,

<sup>87</sup> Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)

<sup>88</sup> The COSME basic act provides that no less than 60% of the total financial envelope for the implementation of the COSME programme shall be allocated to the financial instruments. Based on the estimated distribution between the loan guarantee and equity facility in the legislative statement accompanying the COSME basic act, 52% of the overall budget was set out to be allocated to the other COSME financial instrument (Loan Guarantee Facility (LGF) and 48% to the EFG, however subsequently the largest part of the available budget was made available for the LGF based on market demand.



while having the possibility to make investments in early-stage enterprises in conjunction with the equity facility for Research, Development and Innovation (RDI) under Horizon 2020 (which is covered in chapter 4.4 Horizon 2020 Equity Facility for R&I (InnovFin Equity)). The financial support is given in the form of direct investments made by the EIF in financial intermediaries that provide equity or quasi-equity financing to SMEs or indirect investments via funds-of-funds as part of the Pan-European VC funds-of-funds project.

The 2014 Delegation Agreement with the EIF ensured that the EFG was accessible to a broad range of financial intermediaries provided that these are professionally and independently managed and that the funds were located in a COSME participating country.

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

## **Duration**

The agreement for the EFG was signed in 2014 with the EIF. The programme period of the EFG is from 2014 to 2020, when budgetary commitments were made. The application period for financial intermediaries has been closed in 2020. The selected financial intermediaries identified investments in companies usually within 5 years. Within such period, the financial intermediaries signed agreements with SMEs so to investment into them gradually over a period of usually 10 years, but not beyond 31 December 2034, until when the EFG is expected to operate (i.e. until last operations are wound down).

## **Added value, final recipients and projects**

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

## **Financial institutions involved in implementation**

The EIF was responsible for evaluating and selecting financial intermediaries according to the Delegation Agreement. The related continuous open call for expression of interest for financial intermediaries is published by the EIF website<sup>89</sup>. However, no more applications are accepted since the programming period has ended in 2020.

List of the selected EFG financial intermediaries is also available at the EIF website<sup>90</sup>.

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

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

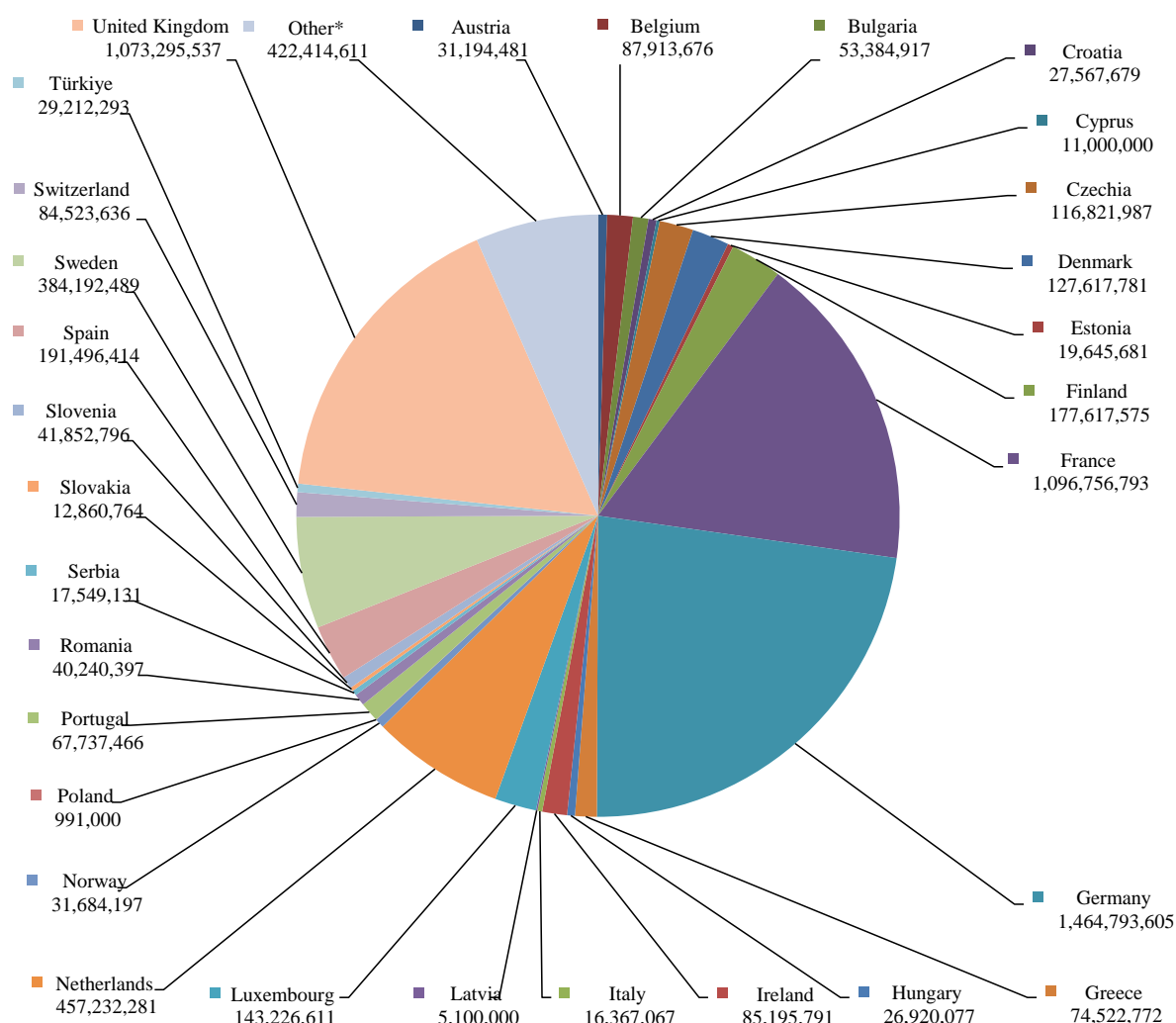
An additional implementation mechanism in the form of a contribution to the Pan-European VC Funds-of-Funds project has been put in place in February 2017 under the EFG. Two signatures with Funds-of-Funds managers took place in 2018 and 2019 for a total contribution of EUR 45 million. Those two Funds-of-Funds continue with the implementation of their investment strategies.

<sup>89</sup> [https://www.eif.org/what\\_we\\_do/equity/single\\_eu\\_equity\\_instrument/cosme\\_efg/index.htm](https://www.eif.org/what_we_do/equity/single_eu_equity_instrument/cosme_efg/index.htm)

<sup>90</sup> [https://www.eif.org/what\\_we\\_do/equity/single\\_eu\\_equity\\_instrument/cosme\\_efg/index.htm](https://www.eif.org/what_we_do/equity/single_eu_equity_instrument/cosme_efg/index.htm)

## Geographical diversification

The total investment realised thanks to the EFG are more than EUR 6 billion of financial support provided to 828 eligible SMEs in 37 countries (see graph below for geographical diversification), leading to an estimated EUR 12 billion of overall investments.



\* Other countries are located outside Europe. The eligible SMEs, that are established in those other countries, operate in the European Union (EU) and therefore cannot be allocated to a particular EU Member State.

## Main issues for the implementation

Compared to guarantee agreements, the due diligence process for equity is much more complex and time-consuming (e.g. due to the fundraising process involved from various investors) which has resulted in a longer initial implementation of the EFG.

The implementation of the EFG was furthermore impacted by the establishment of the Expansion and Growth Window under the European Fund for Strategic Investments (EFSI) Equity instrument, which had largely the same investment focus as the EFG. As a result, an order of priority was established whereby the EIF was requested to first absorb investment capacity available under the EFSI Expansion and Growth Window before making use of EFG resources for investments taking place in Member States. However, the EFG also targeted investments in third countries participating in the COSME programme and these investments will continue to be made under the EFG only. As a consequence of reduced market demand for the EFG in Member States, the 2018-2020 EFG budget allocation was sized accordingly in comparison to its initially planned financial envelope.

## Performance, financing and investments

For the programme period 2014-2020, over EUR 340 million EU budgetary resources have been engaged in helping SMEs to enhance their access to risk capital in the growth and expansion stage of their development. It allowed 23 fund agreements for EUR 315 million to be signed with fund managers. These managers invested more than EUR 6 billion into more than 800 SMEs. These investments trigger mobilisation of additional private capital.

Despite the additional time needed (in comparison to the guarantee agreements) for full deployment, now the EFG outperforms as its leverage exceeds the range between 4 and 6 as defined in the basic act.

No additional operations are planned to be signed after the reporting period (i.e., after end 2024) as the application period for financial intermediaries was closed in 2020.

Key figures (EUR)	Actual	Target
EU Contribution committed	343,939,786	662,000,000
Leverage effect	19	from 4 to 6
Multiplier effect	35	Not available*
Operations	23	Not available*
Financing provided to final recipients	6,420,929,505	from 2,600,000,000 to 3,900,000,000
Number of final recipients	828	from 360 to 540
Investments made by final recipients due to the received financing	12,000,000,000	Not available*

\* No targets were set out in the basic act.

During its implementation period, the EFG was initially assessed twice, first as part of COSME's interim evaluation<sup>91</sup> and secondly by the European Court of Auditors<sup>92</sup>. These assessments showed that the EFG added value by contributing to a favourable investment environment for growth-oriented SMEs. The EFG had limited take up due to multiannual investment periods and prioritisation of the Expansion and Growth Window under the EFSI Equity instrument. The impact of the EFG could be further strengthened by aligning with other EU equity products. The additionality could not be measured at the time of the COSME's interim evaluation due to the limited number of investments at that time.

Based on lessons learned from audits and other assessments, the Commission proposed to set up one single programme (InvestEU Programme 2021-2027) establishing one single fund (InvestEU Fund). It builds on the successful model of the EFSI. InvestEU ensures a streamlined approach towards the management and reporting on financial instruments/budgetary guarantees. Under the InvestEU Fund, financial products catering towards the Commission's policy priorities, including the financing of SMEs, are established<sup>93</sup> and SMEs already apply<sup>94</sup> for financing.

Furthermore in 2024, the COSME's final evaluation has been finalised<sup>95</sup>. As a result, the EFG has been assessed for a third time. The evaluation confirms the contribution of the instrument to the SMEs' competitiveness by: (i) playing a key role in developing the European equity ecosystem, which also helps overcome fragmentation of the European equity market; (ii) enhancing SMEs' access to finance and

<sup>91</sup> Interim evaluation of the COSME Programme, Final report available at <https://ec.europa.eu/docsroom/documents/28084>.

<sup>92</sup> Special report No 17/2019: Centrally managed EU interventions for venture capital: in need of more direction, available at <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=51616>.

<sup>93</sup> <https://www.eif.org/InvestEU/index.htm>

<sup>94</sup> [www.access2finance.eu](http://www.access2finance.eu)

<sup>95</sup> Final evaluation of the COSME Programme, Staff working document available at: [https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13399-COSME-programme-evaluation\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13399-COSME-programme-evaluation_en).

stimulating the creation of the EU venture capital market, which is underdeveloped in comparison to other developed countries; (iii) enhancing access to finance in the form of equity products in countries where supply is less developed and (iv) allowing SMEs to develop and invest in innovation, including investments in energy and environment.

The final evaluation analysis demonstrates that SMEs experiences improvements in their economic performance in the years after receiving finance and also good impact on survival rates, employment, turnover, and total assets. On average, SMEs have almost doubled the number of employees from the year before to the year after the intervention. The EFG instrument has targeted the equity needs of young and fast-growing enterprises. The additionality target could not be measured.

## Financial Information

Financial Information (EUR)	COSME Equity Facility for Growth (EFG)		
Type of instrument	Equity		
Year of inception	2014		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		-6,249,319.94	343,939,785.77
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	86,980,418.58
Budgetary payments		33,254,425.00	253,460,818.00
<b>Reflows</b>	<b>(2)</b>		
Revenues		8,041,661.83	22,881,540.87
Repayments		4,409,642.47	55,939,474.94
Total reflows entered into the budget, of which:		12,451,304.30	78,821,015.81
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		12,451,304.30	78,821,015.81
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	10,586,799.00
Incentive fees		0.00	12,099,200.00
Treasury management fees		31,735.00	266,959.00
Other charges		6,289.00	32,722.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		12,238,061.00	33,967,281.00
Net treasury result (including interest) (gains (+) / losses (-))		1,304,145.00	2,562,768.93

Net FX gains (+) / losses (-)		-161,302.00	-827,438.36
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		310,488,836.84	314,021,509.62
Value of equity investments		213,200,473.84	191,685,665.84
<i>Investment at cost</i>		163,205,775.33	141,923,699.33
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		19,785,782.78	6,899,637.18
<i>in euro</i>		18,557,122.44	2,093,336.00
<i>in non-euro currencies</i>		1,228,661.00	4,806,301.00
Other financial assets (including short term deposits >3months)		3,774,616.56	3,634,871.00

## Notes to the financial information

- (1) The EFG has a rather modest budgetary implementation ratio, i.e., 74% budgetary execution rate of payments in comparison to commitments as of 31 December 2024 due the implementation specificities:
  - a. Payment appropriations are needed to allow the implementation partner (the European Investment Fund) to honour drawdown notices from fund managers, who will use the cash to invest in portfolio companies. Since it is an industry standard that venture capital fund managers have up to 5 years to make the first initial investments into SMEs following the creation of the venture fund, there is a significant delay between the time of signature of a fund agreement by the EIF and the respective drawdown notices by the fund managers. Moreover, following the initial investment by the fund manager, funds can hold on to their portfolio companies for up to 10-years during which they can undertake follow-on investments to grow the companies. This pattern of activity explains why there is a significant time delay between commitment and payment appropriations in the case of venture capital investments.
  - b. In addition, the EFG prioritised funds focused on investments in COSME third countries participating in the programme, whereas these third countries cannot be supported under the SME window of the EFSI.
- (2) In line with Article 5 of the Regulation (EU) 2021/1229 on the Public Sector Loan Facility under the Just Transition Mechanism, 2023 reflows (EUR 28,951,867.89), 2022 reflows (EUR 18,288,600.82) and 2021 reflows (EUR 861,887.00) were assigned to the Public Sector Loan Facility (being the third pillar of the Just Transition Mechanism). In line with Article 35(1) of the InvestEU Regulation (EU) 2021/523, 2024 reflows in the amount of EUR 12,451,304.30 and 2023 reflows in the amount of EUR 14,960,234.80 were assigned to InvestEU.

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

Minding nature and design of the EFG, there is no direct link between the validation time of the budgetary commitment by the Authorising Officer in the Commission accounting system and the signature of agreements between the financial intermediaries and final recipients in a reporting year.

Budgetary commitments were authorised based on (i) the pipeline of continuous applications from financial intermediaries and (ii) yearly budget resources needed for signatures between the EIF and the financial intermediaries. Once the applications were approved, agreements were signed between the EIF and the

respective financial intermediaries. They had then a contractual obligation usually within 5 years to identify investments in several companies. Within such period, the financial intermediaries signed agreements with final recipients during the first investment in those recipients. The investments then take place gradually over a period of usually 10 years.

## 4.3 Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee)

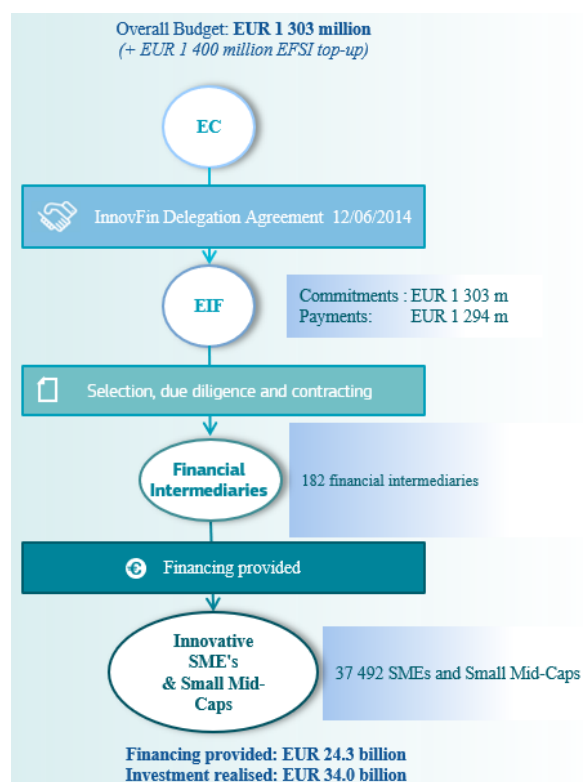
### Description

Identification / Reference to the basic act			
<p>Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104)</p> <p>Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81)</p>			
Budget lines			
02.029903			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope:	EUR 1,000,000,000.00
Current financial envelope <sup>96</sup> :	EUR 2,702,771,217.00
Overall financial envelope <sup>97</sup> :	EUR 2,702,771,217.00

### General description



InnovFin SME Guarantee addresses the financing gap for innovative and digitalisation driven SMEs and Small Midcaps (with up to 499 employees) for their investments in innovative products and processes containing significant technology or application risks or for their investment in digitalisation. The InnovFin SME Guarantee also contributes to the financial instruments deployed under the SME Initiative, a joint instrument combining COSME and/or Horizon 2020 EU funds and ESIF resources in cooperation with EIB/EIF with a view to generate additional lending to SMEs in specific Member States.

### Duration

The InnovFin SME Guarantee has been implemented since 12 June 2014, following the signature of the Delegation Agreement between the European Investment Bank (EIB) and the European Investment Fund (EIF) in respect of the financial instruments under Horizon 2020. The signing period ended 31 December 2022. The facility

<sup>96</sup> It includes EUR 1,400,000,000 EFSI top-up and EUR 1,302,771,217 H2020 own budgetary resources (including EUR 21,856,917 earmarked for the SME Initiative).

<sup>97</sup> It includes EUR 1,400,000,000 EFSI top-up and EUR 1,302,771,217 H2020 own budgetary resources (including EUR 21,856,917 earmarked for the SME Initiative).



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

### **Added value, final recipients and projects**

By providing direct or indirect guarantees to financial intermediaries, such as commercial banks or alternative lenders, the EU and the EIF, as risk-sharing partners at EU level, support the provision of loan finance to innovative SMEs and Midcaps. The guarantee covers up to 50% of intermediaries' potential losses. The EIF also offers counter-guarantees to financial intermediaries, such as guarantee institutions, providing risk protection to banks extending loans to R&I-driven SMEs and Midcaps.

InnovFin SME Guarantee offers advantages in the form of risk-sharing and capital relief for the financial intermediaries, resulting in a significant loan and lease volume in support of innovative SMEs and Midcaps and their investment, thereby successfully addressing the financing gap for these companies.

R&I-driven SMEs or Small Midcaps wishing to apply for a loan should contact one of the financial intermediaries, which signed an agreement with the EIF. This is a demand-driven facility, with no prior allocations between sectors, countries or regions. However, the Commission incentivises the EIF to make a particular effort to ensure that a significant proportion of final recipients are eco-innovative SMEs and Small Midcaps.

### **Financial institutions involved in implementation**

The EIF is the entrusted entity for the InnovFin SME Guarantee.

Financial intermediaries selected by EIF for the implementation of the facility may include private financial institutions as well as governmental and semi-governmental financial institutions, national and regional public banks as well as national and regional investment banks.

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

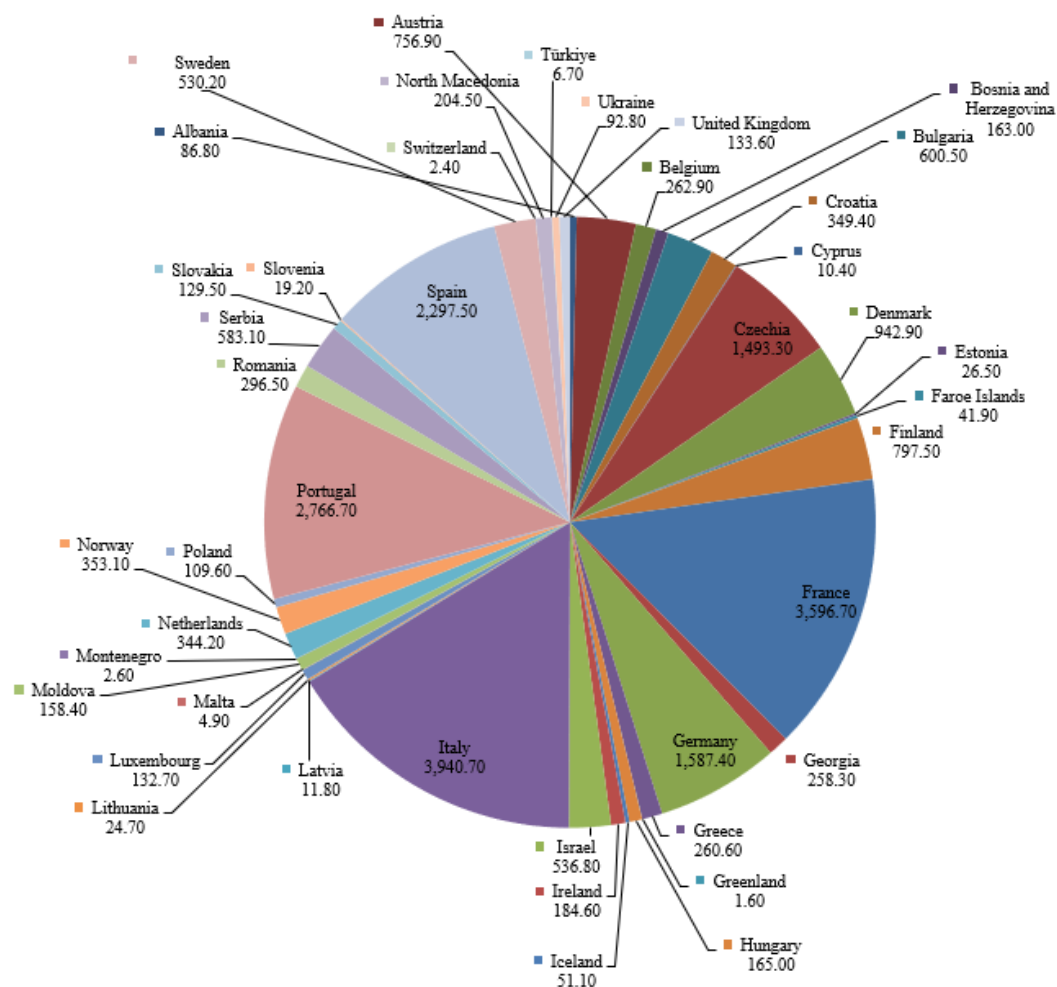
As at 31/12/2024, the InnovFin SME Guarantee already contributed to provide EUR 24,320 million of financing to 37,492 final recipients, accounting for an estimated EUR 40,602 million investment amount. For the period 2014-2020, before EFSI additional support, the target was to mobilise a loan and lease volume of approximately EUR 9.5 billion in support of 30,000 innovative companies and their R&I investment.

The successful roll-out of InnovFin SMEG continued in 2024, also thanks to the additional risk bearing capacity available from the SME Window of EFSI.

### **Geographical diversification**

InnovFin SME Guarantee is implemented in 27 Member States and 16 Associated Countries or United Kingdom to Horizon 2020. The chart below shows how the EUR 24,320 million in financing is distributed by country:





## Main issues for the implementation

It was crucial for the implementation of the InnovFin SME Guarantee to attract enough financial intermediaries (banks and guarantee institutions) as risk-sharing partners of the EIF and loan providers to final recipients. In this context, the fees charged to financial intermediaries needed to reflect the risk taken at EU level while, at the same time, offering risk-sharing and capital relief for financial intermediaries. The contractual arrangements between the European Commission and the EIF allowed for flexibility as regards product development for the period 2014-2020.

## Performance, financing and investments

Key figures (EUR) <sup>98</sup>	Actual	Target
EU Contribution committed <sup>99</sup>	2,680,914,300.00	2,030,000,000.00
Leverage effect	9.07	9.00
Multiplier effect	12.70	12.60
Operations	182	220
Financing provided to final recipients	24,319,590,543.00	18,270,000,000.00
Number of final recipients	37,492	42,000
Investments made by final recipients due to the received financing	34,047,426,760.20	25,578,000,000.00

<sup>98</sup> Outstanding figures as of the reporting date.

<sup>99</sup> Including EUR 1,400,000,000 from EFSI. Not including EUR 21,856,917 for the SME Initiative.

## Financial Information

Financial Information (EUR)	SMEs & Small Midcaps R&I Loans Service under Horizon 2020 (InnovFin SME Guarantee)		
Type of instrument	Risk-sharing (guarantee)		
Year of inception	2014		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments	<b>(2)</b>	0.00	1,302,771,217.04
<i>of which from third countries</i>		0.00	8,222,578.00
<i>of which from reflows</i>		0.00	113,609,627.00
Budgetary payments		0.00	1,294,304,843.04
<b>Reflows</b>	<b>(3)</b>		
Revenues		1,714,129.50	31,256,499.38
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		1,714,129.50	31,256,499.38
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		1,714,129.50	31,256,499.38
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		149,633,561.00	637,506,739.61
Guarantee calls recovered		14,529,681.00	51,888,177.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	36,477,835.00
Incentive fees		16,259,366.00	197,666,276.00
Treasury management fees		397,770.00	4,074,361.00
Other charges		0.00	33,797.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		33,232.00	389,932.00
Net treasury result (including interest) (gains (+) / losses (-))		19,147,235.00	12,569,598.60
Net FX gains (+) / losses (-)		-1,611,532.00	-6,041,345.85
Other revenues		9,636.00	56,551.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		449,920,196.00	570,705,473.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00

Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		180,585,456.00	244,661,533.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		66,619,012.00	83,013,228.00
<i>in euro</i>		10,539,628.00	12,179,835.00
<i>in non-euro currencies</i>		56,079,384.00	70,833,393.00
Other financial assets (including short term deposits >3months)		402,165,848.00	521,577,967.00

## Notes to the financial information

- (1) The financial envelope available is composed of the amounts committed towards the InnovFin SMEG for the years 2014-2020 in line with the amounts allocated towards the InnovFin SMEG in 2014-2020 as set out in the Horizon 2020 work programmes (as adopted). At the end of 2020, all commitment appropriations authorised for the period 2014-2020 were used in line with the planned operational implementation.
- (2) Including EUR 21,856,917 for the SME Initiative.
- (3) In line with Article 35(1) of the InvestEU Regulation, 2024 reflows in the amount of EUR 1,714,129.50, 2022 reflows in the amount of EUR 3,650,161.90 and 2021 reflows in the amount of EUR 5,877,138.90 were assigned to InvestEU.

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

N/A

## 4.4 Horizon 2020 Equity Facility for R&I (InnovFin Equity)

### Description

#### Identification / Reference to the basic act

Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104);

Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)” and repealing Regulation (EC) No 1906/2006 (OJ L 347, 20.12.2013, p. 81);

Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decisions 2006/971/EC, 2006/972/EC, 2006/973/EC, 2006/974/EC and 2006/975/EC (OJ L 347, 20.12.2013, p. 965)

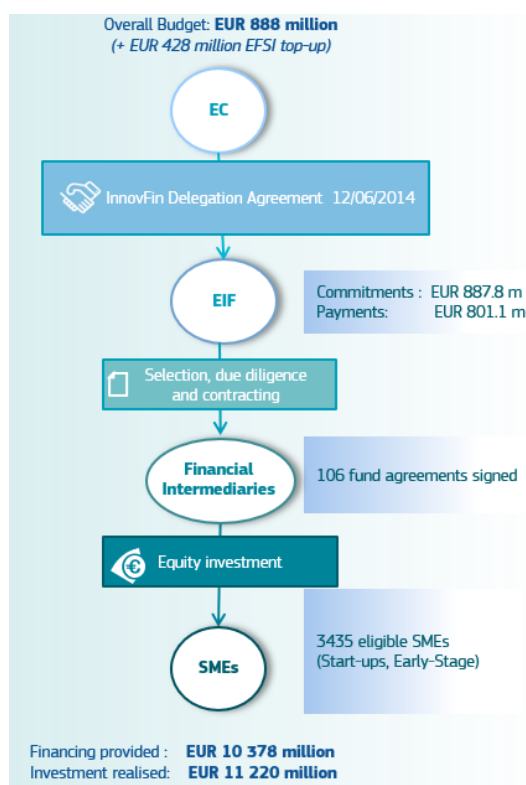
#### Budget lines

02.029903

(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope:	EUR 495,000,000.00
Current financial envelope <sup>100</sup> :	EUR 1,315,805,268.00
Overall financial envelope <sup>101</sup> :	EUR 1,315,805,268.00

### General description



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

#### Duration

The Delegation Agreement with the European Investment Fund (EIF) was signed in June 2014. The signature period ended 31 December 2022. The instrument is planned to last until 31 December 2042 (until the last operations are wound down).

#### Added value, final recipients and projects

In terms of Union added value, the InnovFin Equity facility complements national and regional schemes that cannot cater for cross-border investments in R&I. The early-stage deals

<sup>100</sup> Including EUR 428 m EFSI top-up.

<sup>101</sup> Including EUR 428 m EFSI top-up.

have a demonstration effect that can benefit public and private investors across Europe. For the growth stage, it is only possible to achieve the necessary scale and strong participation of private investors that are essential to the functioning of a self-sustaining venture capital market at European level.

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

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

Eligible final recipients are SMEs and small midcaps located in Member States or in associated countries to Horizon 2020. The COSME's EFG complements this facility, which, with a set of accompanying measures, supports Horizon 2020 policy objectives.

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

### **Financial institutions involved in implementation**

The EIF is the entrusted entity for the InnovFin Equity facility.

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

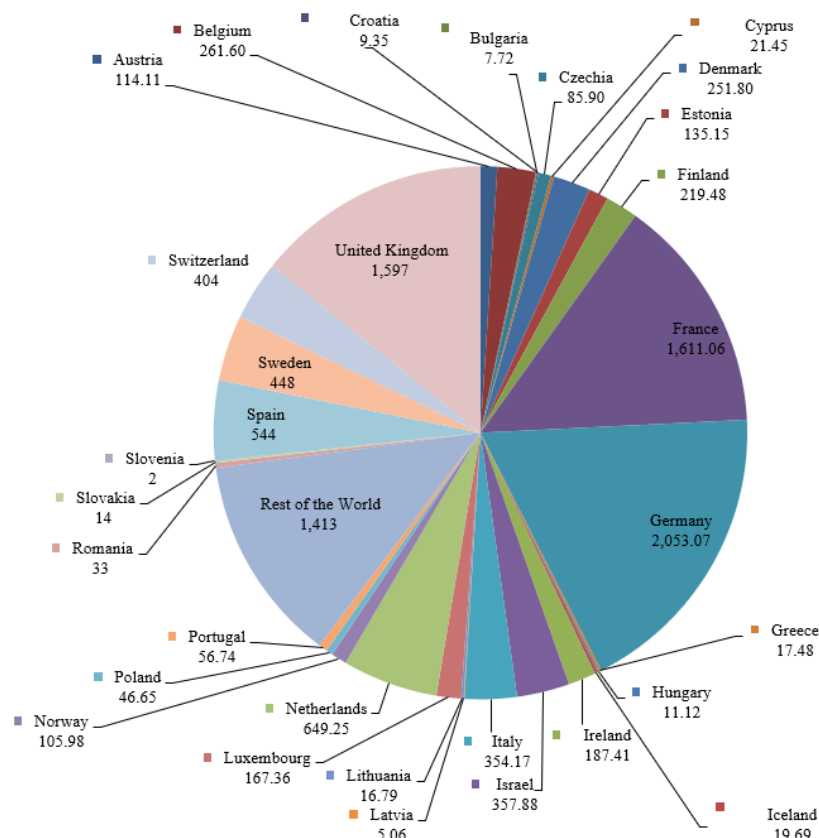
At the end of 2024, 106 commitments to funds have been signed with VC, BA, TT funds and Funds of funds established in 19 Member States and 4 associated countries or United Kingdom to Horizon 2020 for an amount of EUR 1,582 million. Out of the 106 funds, 91 agreements relate to pure early-stage funds, 12 agreements relate to multi-stage funds, in combination with the COSME Equity facility for growth and 3 with Funds of Funds in the frame of VentureEU.

These funds have invested in 3,435 eligible final recipients operating in 31 Member States, associated countries to Horizon 2020 or the United Kingdom.

An additional implementation mechanism in the form of the Pan-European VC Funds-of-Funds project has been put in place in February 2017. This compartment is branded as VentureEU. Agreements have been signed with 3 funds of funds as of 31/12/2024.

An additional implementation mechanism branded the Recovery Equity Facility for Innovative Technology companies (RE-FIT) aims at mitigating the increased cash burn caused by the COVID-19 crisis by providing IFE Financial Intermediaries with a top up investment capacity necessary to support their portfolio companies that otherwise would be left in the short term without further support. As of 31/12/2024, the EIF signed 6 agreements with IFE Financial Intermediaries based in 5 Member States and 1 associated country, for an amount of EUR 84.3 million. 51 investments were made into RE-FIT Final Recipients for an amount of EUR 41.5 million

## Geographical diversification



## Main issues for the implementation

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

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

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

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed <sup>102</sup>	1,315,805,268.00	1,315,805,268.00
Leverage effect	7.89	4.05
Multiplier effect	8.53	7.69
Operations	106	120

<sup>102</sup> Including EUR 428 m EFSI top-up.

Key figures (EUR)	Actual	Target
Financing provided to final recipients	10,378,320,573.00	5,326,831,608.00
Number of final recipients	3,435	3,600
Investments made by final recipients due to the received financing	11,220,975,624.11	10,120,980,055.00

## Financial Information

Financial Information (EUR)	Horizon 2020 Equity Facility for R&I (InnovFin Equity)		
Type of instrument	Equity		
Year of inception	2015		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	887,805,268.00
<i>of which from third countries</i>		0.00	16,002,413.05
<i>of which from reflows</i>		0.00	115,350,843.10
Budgetary payments		0.00	801,114,579.82
<b>Reflows</b>	<b>(1)</b>		
Revenues		12,449,553.05	19,559,484.22
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		12,449,553.05	19,559,484.22
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		12,449,553.05	19,559,484.22
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	24,177,460.00
Incentive fees		690,000.00	24,582,800.00
Treasury management fees		205,328.00	2,075,310.00
Other charges		0.00	20,765.60
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		2,191,911.00	10,850,696.00
Net treasury result (including interest) (gains (+) / losses (-))		7,981,880.00	1,671,076.60
Net FX gains (+) / losses (-)		3,099,661.00	1,958,480.00
Other revenues		3,643.00	21,131.00
	Notes	2024	2023

<b>Risk exposure</b>			
Maximum financial risk exposure		852,542,008.46	924,775,627.46
Value of equity investments		657,333,162.46	629,801,085.46
<i>Investment at cost</i>		567,784,334.46	497,877,659.46
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		45,142,462.51	101,524,927.00
<i>in euro</i>		13,015,720.00	62,659,060.00
<i>in non-euro currencies</i>		32,126,743.00	38,865,867.00
Other financial assets (including short term deposits >3months)		142,393,793.09	157,015,037.00

### Notes to the financial information

(1) In line with Article 35(1) of the InvestEU Regulation, 2024 reflows in the amount of EUR 12,449,553.05, 2022 reflows in the amount of EUR 1,280,394.63 and 2021 reflows in the amount of EUR 2,564,956.67 were assigned to InvestEU.

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

N/A



## 4.5 European Innovation Council Fund (EIC Fund)

### Description

Identification / Reference to the basic act			
<p>Council Decision 2013/743/EU of 3 December 2013 establishing the specific programme implementing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/965, 20.12.2013).</p> <p>Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) (OJ L 347/104, 20.12.2013).</p> <p>Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013.</p> <p>Council Decision 2021/764/EU of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU, and in particular Article 11(3) and section 1.1.2 of Pillar III part of Annex I thereof.</p> <p>Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241</p>			
Budget lines			
E.01020301 E.01029901.21			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	839,196,349.50	730,026,000.00	730,054,000.00
<b>Budgetary payment appropriations</b>	301,500,000.00	694,310,495.77	873,569,356.43

Initial financial envelope:	EUR 4,300,000,000.00
Current financial envelope:	EUR 3,561,328,298.35
Overall financial envelope:	EUR 3,561,328,298.35

### General description

The EIC Fund is the venture arm of the European Innovation Council (EIC). It was set up as a capital fund under private law with the European Commission as a shareholder to fund companies selected under the EIC Accelerator.

With a budget of over EUR 10 billion, the European Innovation Council (EIC) is strengthening Europe's leadership in deep tech innovation by generating a pipeline of startups with the potential to become unicorns.

The EIC Fund is a breakthrough initiative of the European Commission. It aims to fill a critical financing gap in the technology transfer (TT) market: the fact that despite the channelling of significant amounts of grant funding to research projects in Europe by EC and national schemes, very few projects subsequently manage to attract equity-type financing and reach the commercialisation stage. The EIC Fund is bridging the funding gap for deep tech European startups that have market-creating potential but carry a high risk for private and public investors. The EIC Fund supports these companies with patient capital to minimise this risk.

While initially the EIC Fund was under direct management by the Commission, on 4 December 2023, the Commission adopted the Decision on the completion of the restructuring of the European Innovation Council (EIC) Fund in the context of the implementation of the EIC Accelerator under Horizon Europe (C(2023)8183). This third restructuring Decision allows for the management of the investment components of the EIC Accelerator in indirect management mode, as set out in Article 11.3 of the Council Decision

2021/764 establishing the Specific Programme implementing Horizon Europe. The move to indirect management as from 1 January 2024 released the Commission from the direct responsibility and liability for individual decisions. This move is materialised by the transfer of the holding of the shares in the EIC Fund from the Commission to the EIB, including the supervision and control of the EIC Fund (the EIB is responsible for the operational and financial reporting towards the Commission). The EIB has also remained the investment adviser of the EIC Fund.

## **Duration**

The EIC Fund was established in 2020, initially for the duration of Horizon 2020 and was later on extended to the duration of Horizon Europe. Based on an average duration of the investments of 7 years, its functioning should last at least until 2034, but for policy and strategic purposes its duration should be unlimited.

## **Added value, final recipients and projects**

The investment component of the EIC blended finance aims to act as a catalyst to crowd in other investors both public and private; and further share risks by building a large network of capital providers and strategic partners suitable for co-investments and follow on funding.

- The EIC Fund's main objective is "impact investment" rather than maximising return on the investment.
- The EIC Fund usually targets minority ownership stakes (around 10% that can rise up to 25%) and up to a blocking minority in cases identified by the Commission as of strategic interest for the EU.
- The EIC Fund always monitors investments and, in certain cases, support investee companies in subsequent rounds of capital increase.

The EIC Fund also creates connections with specialised mentors, ecosystems and additional funding opportunities throughout the lifetime of the EIC investment. The EIC Fund provides patient capital in the form of equity or quasi-equity (which will be in most cases blended with a grant component) to EIC Final Recipient companies with potentially market-creating innovations (whether based on breakthrough disruptive technologies originating from research (deep-tech) or on social innovation), thereby contributing to bridge the gap between innovation and market take-up. The EIC Fund is the first EU intervention of its kind in direct equity-type investments (as mentioned above, in most cases, in combination with a grant component (blended finance)).

## **Financial institutions involved in implementation**

European Innovation Council Fund itself (managed indirectly through the European Investment Bank acting both as manager and investment adviser)

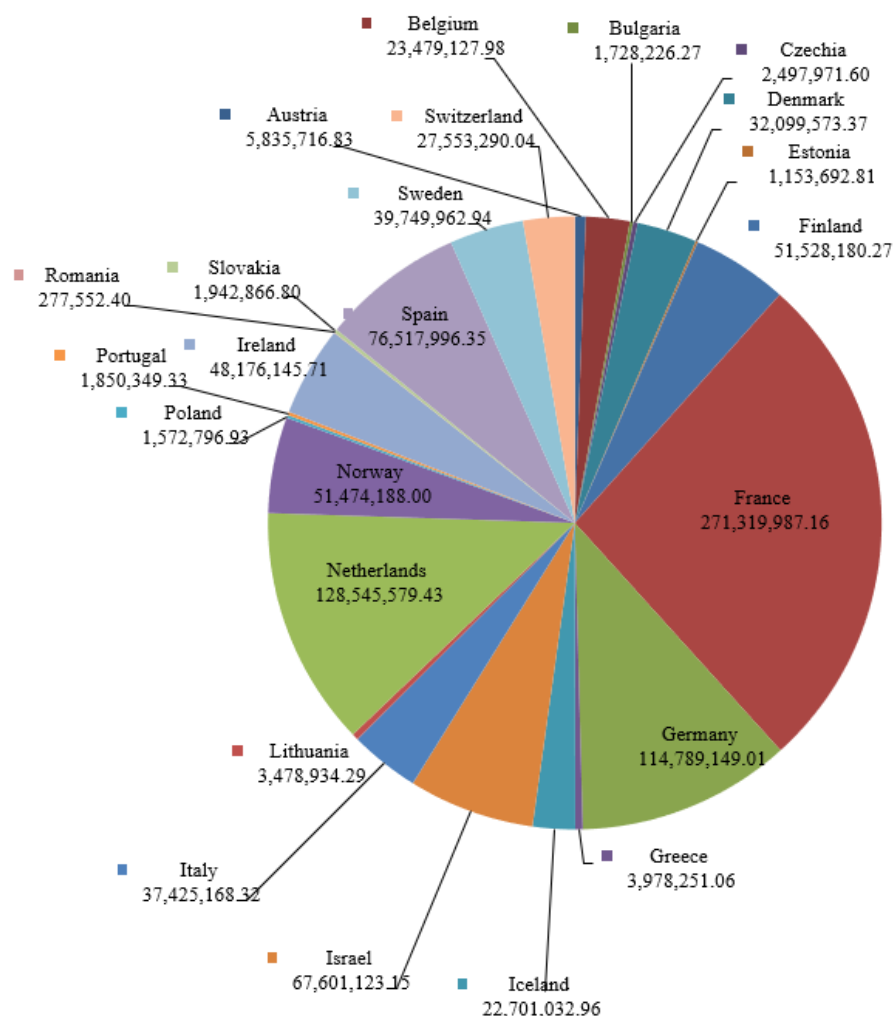
## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

The target final recipients are deep tech innovators that disrupt the markets they are entering, with startups, SMEs and midcaps being funded under the EIC Accelerator as risk taker bridging the funding gap and scaling up breakthrough European innovations while crowding in other investors.

### **Geographical diversification**

While the full amount is allocated to the EIC Fund SA a Luxemburgish company, final recipients spread across twenty-four countries.



## Main issues for the implementation

The normal ones of a high-risk venture capital investment firm, as the EIC Fund is directly executing the investments not through other funds as other financial instruments. However, the indirect management and the involvement of the different actors throughout the procedure has its related challenges:

- i. The Commission defines the framework for the selection of companies that can receive EIC Fund investment under the EIC Accelerator, i.e., through adopting the Decision on the annual EIC Work Programme, supervising the evaluation of proposals, taking Single Award Decisions and ensuring control over the EIC Fund's Investment Guidelines.
- ii. EISMEA conducts the evaluations for selecting potential final recipients in accordance with the EIC Work Programme and is responsible for managing the grant and coordinating grant and investment components.
- iii. The Investment Adviser, the EIB, bound by the Investment Guidelines, carries out the financial and commercial due diligence, complemented by technological due diligence done by external experts contracted by EISMEA. The "Investment Adviser" represents the EIC Fund in negotiations with the investee and co-investors on term sheets and investment agreements and is entrusted with the monitoring of the active investments, including advising on any exceptional follow-on investments or exits.
- iv. The EIC Fund's investment and divestment decisions are taken by the Investment Committee. The Investment committee follows the perspective of expert venture capital investors, in compliance with the Investment Guidelines and objectives of the EIC Fund, set by the Commission. The decision by the Investment committee is based on the information provided by the Investment Adviser and the independent opinion of an Advisory Committee is composed of AIFM representatives, independent external venture capitalists, two observers of the Commission and representatives of EISMEA accompanying the Commission observers.

- v. The EIC Fund's investment decisions are always taken following the verification of compliance with Anti Money Laundering legislation and checks on sanctioned entities

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	3,561,328,298.35	4,300,000,000.00
Leverage effect	0.29	1.00
Multiplier effect	0.73	5.00
Operations	272	650
Financing provided to final recipients	1,017,276,862.60	4,300,000,000.00
Number of final recipients	272	650
Investments made by final recipients due to the received financing	2,600,000,000.00	21,500,000,000.00

## Financial Information

Financial Information (EUR)	European Innovation Council Fund		
Type of instrument	Equity and convertible loans		
Year of inception	2020		
Implementing Partner	EIC Fund (through EISMEA or EIB)		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		839,196,349.50	3,561,328,298.35
<i>of which from third countries</i>		50,000,000.00	283,064,296.07
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		301,500,000.00	1,654,600,000.00
<b>Reflows</b>			
Revenues		0.00	0.00
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		0.00	0.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		24,122,413.00	75,452,528.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		7,500,204.00	27,515,052.32

<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		5,678,132.00	11,737,352.00
Net treasury result (including interest) (gains (+) / losses (-))		15,169,098.00	21,818,634.00
Net FX gains (+) / losses (-)		103,039.00	-21,447.00
Other revenues		0.00	2,222,433.00
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		1,544,334,922.68	1,051,876,449.68
Value of equity investments		882,363,497.68	608,597,811.68
<i>Investment at cost</i>		961,317,063.68	656,876,464.68
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		544,801,298.00	511,545,190.00
<i>in euro</i>		540,174,732.00	503,951,386.00
<i>in non-euro currencies</i>		4,626,566.00	7,593,804.00
Other financial assets (including short term deposits >3months)		80,747,188.00	123,854,371.00

## Notes to the financial information

N/A

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

N/A

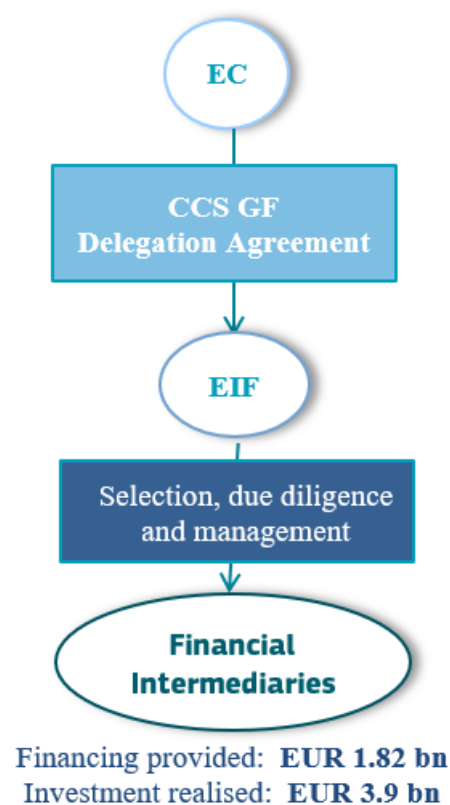
## 4.6 Cultural and Creative Sectors Guarantee Facility (CCS GF)

### Description

Identification / Reference to the basic act			
Regulation (EU) No 1295/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Creative Europe Programme (2014 to 2020) and repealing Decisions No 1718/2006/EC, No 1855/2006/EC and No 1041/2009/EC (OJ L 347, 20.12.2013, p. 221)			
Budget lines			
02.029908			
(EUR)	2024	2025	2026
Budgetary commitment appropriations	0.00	0.00	0.00
Budgetary payment appropriations	0.00	11,534,371.00	10,032,257.00

Initial financial envelope:	EUR 122,892,282.00
Current financial envelope:	EUR 252,892,282.00
Overall financial envelope <sup>103</sup> :	EUR 252,892,282.00

### General description



Part of the Creative Europe Programme (2013-2020), the Cultural and Creative Sectors Guarantee Facility (CCS GF) is a financial instrument under which the European Commission through the European Investment Fund (EIF) provides guarantees and counter-guarantees on debt financing to Financial Intermediaries in order to improve access to finance to SMEs and organisations from cultural and creative sectors (CCS).

### Duration

The CCS GF implementation has been running since July 2016, when the Delegation Agreement with the EIF was signed. The implementation period ended on 31 December 2020<sup>104</sup>. Termination date for the EU Guarantee coverage is set for 31/12/2034.

### Added value, final recipients and projects

The Cultural and Creative Sectors Guarantee Facility has been one of the main innovations and biggest successes of Creative Europe since its launch in 2016. As a market-led financial instrument, it has widened the range of support available and tapped into new, greater sources of funding by reaching out to the financial sector, thus enabling investment and growth.

Traditionally in Europe, banks and other lending institutions perceived the cultural and creative sectors as being high-risk, and therefore even profit-oriented CCS companies found it difficult to obtain a loan. As the CCS organisations could not fully diversify their funding

<sup>103</sup> Including EFSI top-up of EUR 130 m.

<sup>104</sup> However, and provided that the EIF Board had approved the EU Guarantee before 31 December 2020, EU Guarantees might have been signed until 31 September 2021.

structure, they became more reliant on the support from the public side in the form of grants. To increase access to debt financing the CCS Guarantee Facility (CCS GF) was introduced. It reduces the financial institutions' risk by providing guarantees and counter-guarantees as well as a training programme for financial institutions interested in making use of the facility (capacity building).

Through the CCS GF, Financial Intermediaries selected by the EIF can provide additional debt financing to SMEs in Participating Countries.

To target the knowledge gap between the financiers and the CCS companies, this action also provided technical assistance / capacity building to the financial institutions wanting to build dedicated portfolios of loans targeting the CCS. This supports the further fine-tuning of financing products that are more suited to the specificities of CCS business. This add-on feature of the support has been proven as an extra incentive for the uptake of the CCS GF by financial institutions and has resulted in an increase in the number of financial intermediaries working with cultural and creative SMEs.

DG CNECT oversees implementation of the CCS GF. The Guarantee Facility is managed by the European Investment Fund (EIF) in line with the provisions of the Delegation Agreement.

### **Financial institutions involved in implementation**

The EIF is implementing the CCS GF.

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

The CCS GF was launched in July 2016 as the first financial instrument specifically targeting the cultural and creative enterprises. A total budgetary appropriation for CCS GF equalled to EUR 252.8 million (EUR 122.8 million from Creative Europe budget and top-ups of EUR 130 million from EFSI) in the 2016-2020 period. To date CCS GF has mobilised EUR 3.9 billion of additional investment into the cultural and creative industries.

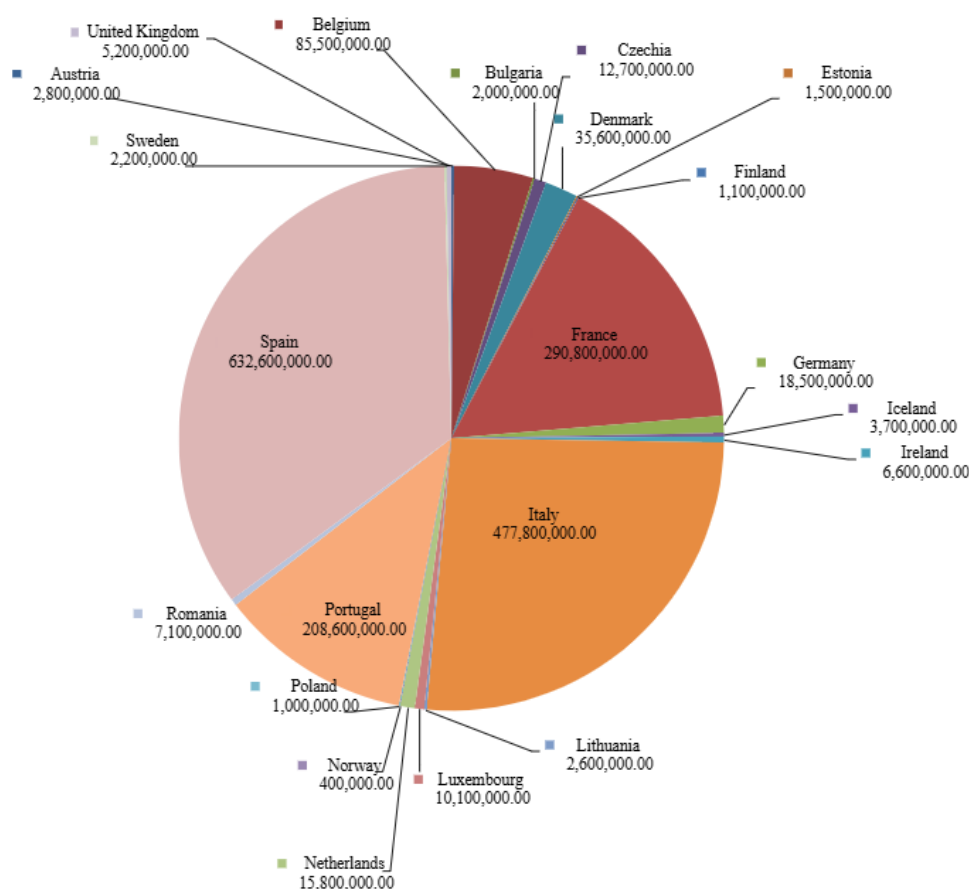
By the end of year 2024, 22 transactions with 21 Financial Intermediaries were signed. 9,477 loans were granted to 7,131 SMEs from creative sectors. The geographical availability of the CCS GF has also expanded quickly, as SMEs from 22 participating countries benefited from easier access to finance.

The loans guaranteed by the CCS GF are diversified in terms of size of enterprises, the geographical coverage as well as the sectorial distribution. Majority of support went to enterprises employing less than 10 persons. All cultural and creative sectors profited from the support, with the audiovisual sector being the biggest beneficiary, followed by performing arts, books and press, video games, visual art and other cultural domain.

Through the Capacity Building activities, the CCS GF helped financial intermediaries to better serve creative and cultural SMEs by providing high-level customised consultancy and support. Most of the financial intermediaries opted in for this tailor-made support delivered by CCS experts. In addition, capacity building helped promoting this source of finance through events, trade shows, publication of market studies or market research.



## Geographical diversification



## Main issues for the implementation

N/A

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	252,892,282.00	252,892,282.00
Leverage effect	7.21	2.77
Multiplier effect	15.46	4.75
Operations	22	10
Financing provided to final recipients	1,824,163,614.00	700,000,000.00
Number of final recipients	7,131	1,700
Investments made by final recipients due to the received financing	3,908,948,287.00	1,200,000,000.00

## Financial Information

Financial Information (EUR)	Cultural and Creative Sectors Guarantee Facility (CCS GF)		
Type of instrument	Guarantee		
Year of inception	2016		
Implementing Partner	EIF		
	Notes	2024	All years



<b>EU Contribution</b>			
Budgetary commitments		0.00	85,124,732.88
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	48,926,961.80
<b>Reflows</b>	<b>(1)</b>		
Revenues		1,591,113.30	2,281,937.16
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		1,591,113.30	2,281,937.16
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		1,591,113.30	2,281,937.16
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		15,385,539.08	31,082,369.08
Guarantee calls recovered		775,011.93	1,010,221.93
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	4,901,230.00
Incentive fees		0.00	2,472,307.00
Treasury management fees		56,562.00	264,237.00
Other charges		0.00	1,785,136.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	5,602.00
Net treasury result (including interest) (gains (+) / losses (-))		2,243,780.00	5,784,132.00
Net FX gains (+) / losses (-)		-123,884.00	-658,841.00
Other revenues		0.00	0.00
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		81,202,190.00	95,939,028.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		35,185,920.00	45,702,668.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		48,630,570.00	65,315,321.00
<i>in euro</i>		38,025,218.00	47,890,321.00
<i>in non-euro currencies</i>		10,605,352.00	17,425,000.00

Other financial assets (including short term deposits >3months)		2,465,852.00	2,374,559.00
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### Notes to the financial information

(1) In line with Article 35(1) of the InvestEU Regulation, 2023 reflows in the amount of EUR 690,823.86 and 2024 reflows in the amount of EUR 1,591,113.30 were assigned to InvestEU.

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

N/A

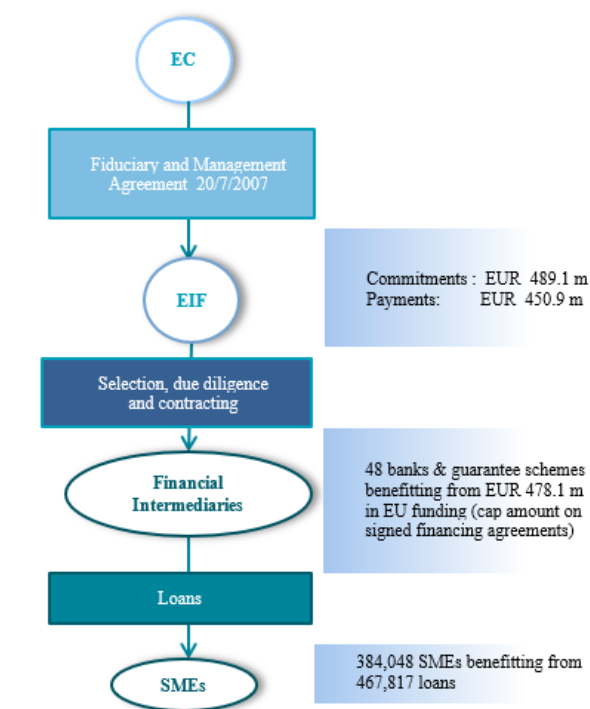
## 4.7 SME Guarantee Facility (SMEG07) under the Competitiveness and Innovation Framework Programme (CIP) - CIP SMEG 07

### Description

Identification / Reference to the basic act			
Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310, 9.11.2006, p. 15)			
Budget lines			
02 02 99 01			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope <sup>105</sup> :	EUR 506,000,000.00
Current financial envelope <sup>106</sup> :	EUR 476,983,760.87
Overall financial envelope <sup>107</sup> :	EUR 489,073,634.75

### General description



Financing provided : **EUR 20,377.8 m**

Investment realised: **EUR 29,784.7 m**

SMEG 07 is part of the Entrepreneurship and Innovation Programme (EIP), one of the three specific programmes under the Competitiveness and Innovation Programme (CIP). Its overall objective is the improvement of access to finance for the start-up and growth of SMEs to support their investment in innovation activities, including Eco innovation. It provides counter- or co-guarantees to guarantee schemes and direct guarantees to Financial Intermediaries operating in eligible countries with the aim of increasing lending volumes available to SMEs. The Facility is a demand-driven instrument, with only indicative country-based allocations, to ensure wide geographical coverage. The EIF provides a capped guarantee that covers potential losses against a commitment of the financial intermediary to provide more debt financing (loans, leases or guarantees that support loans and leases) to target SMEs.

### Duration

The fiduciary and management agreement was signed in July 2007. Last budgetary commitment: 31/12/2013. End of agreements' signing period: 30/09/2014. Maturity date

<sup>105</sup> Initial voted commitments.

<sup>106</sup> Including decrease in budget commitments from 2008 to 2024, including the 2024 EUR 206,749.81 decommitment, ending up with a current envelope in amount of EUR 476,983,760.87 without additional resources.

<sup>107</sup> With additional resources.

of the last debt exposure (source: EIF<sup>108</sup>): 01/10/2026 (longest guarantee termination date for SMEG 07). Expected termination date of the FI: the termination date is not contractually defined and depends on the termination process for the underlying assets and liabilities, which is under discussion with the EIF.

### **Added value, final recipients and projects**

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

### **Financial institutions involved in implementation**

Policy DG (Directorate General) in charge: DG GROW.

Implementing DG in charge: DG GROW, after the Commission's reorganisation in February 2025 (previously DG ECFIN).

Implementing Partner in charge: European Investment Fund (EIF).

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

ECFIN (the Designated Service in the Commission) was actively involved in the FI approval processes. Each deal needed approval of the Commission and the EIF's Board of Directors. The monitoring of the facility is closed as from 2023; reporting obligations will continue until the wind-down of the facility (estimated 2026-2027).

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

As at 31/12/2024<sup>109</sup> SMEG 07 consisted of 62 guarantee agreements with 48 active Financial Intermediaries from 23 countries for a total amount guaranteed of EUR 6,913.1 million (and a total of EUR 478.1 million guarantee cap amount from the Union budget for direct and counter-guarantees).

As at 31/12/2024, the main SMEG 07 achievements were as follows<sup>110</sup>:

- Guarantee agreements: 62
- Eligible recipients (SMEs) supported: 384,048
- Eligible final recipients (SMEs) initially targeted: 315,000
- Loans achieved: 466,817
- Employees at eligible final recipients (SMEs) at inclusion date: 1,329,088
- Jobs created or maintained<sup>111</sup>: 384,048

<sup>108</sup> Source: data from EIF on 01/04/2025.

<sup>109</sup> As from 2023 the Facility may contain fewer active agreements/intermediaries than in the previous year, due to the (natural) termination of the underlying agreements through time. The present report reflects the situation and exposure for the EU budget as at 31/12/2024, not the total operations provided under the Facility since inception.

<sup>110</sup> Excluding terminated agreements, see also sub footnote 5.

<sup>111</sup> Estimate based on the methodology outlined in the 2011 Final Evaluation of the Entrepreneurship and Innovation Programme (1 job for each SME supported by the facility).

- Total financing achieved<sup>112</sup>: EUR 20,377.8 million
- Total financing expected<sup>113</sup> EUR 22,967.7 million
- Total investment realised<sup>114</sup>: EUR 29,784.7 million

For 2007-2024, EUR 1,031.7 million of commitment appropriations were made available for the CIP financial instruments, of which EUR 477.0 million for SMEG<sup>115</sup>. The appropriations were fully committed.

Regarding the payments appropriations for 2007-2024, out of the EUR 990.9 million made available for the CIP financial instruments, EUR 438.8 million were paid to the SMEG fiduciary account, managed by the EIF on behalf of the Commission<sup>116</sup>. Funds are drawn down from the fiduciary account as and when defaults occur under SMEG.

As of 31/12/2024, SMEG 07 already contributed to provide more than EUR 20 billion of financing to 384,048 SMEs through 466,817 loans<sup>117</sup>, accounting for nearly EUR 30 billion investment. The corresponding

i) achieved financing leverage effect for CIP SMEG 07 at the level of entrusted entity (total loan volume received by the recipient SMEs / EU guarantee cap amount) is approx. 42.7<sup>118</sup> - meaning EUR 1 EU funding generated nearly EUR 43 in loans for SMEs -, and

ii) achieved multiplier effect is 62.4 (based on a total investment realised of EUR 29,784.7 million / EU guarantee cap amount) - meaning EUR 1 EU funding generated more than EUR 62 in investment at SME level.

The (expected) target financing leverage effect for signed operations (calculated as "Estimated SME financing" / EU guarantee cap amount) is around 48<sup>119</sup>.

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

## Geographical diversification

By the end 2024, the CIP SMEG 07 financing achieved is broken down as follows:

<sup>112</sup> Loan amount in EUR, source: EIF's SMEG 07 Annual Report as at 31/12/2024.

<sup>113</sup> i.e.: target financing volume ("estimated financing guaranteed", source: EIF's SMEG 07 annual report as at 31/12/2024)

<sup>114</sup> Source: EIF's SMEG 07 annual report dated 31/12/2024.

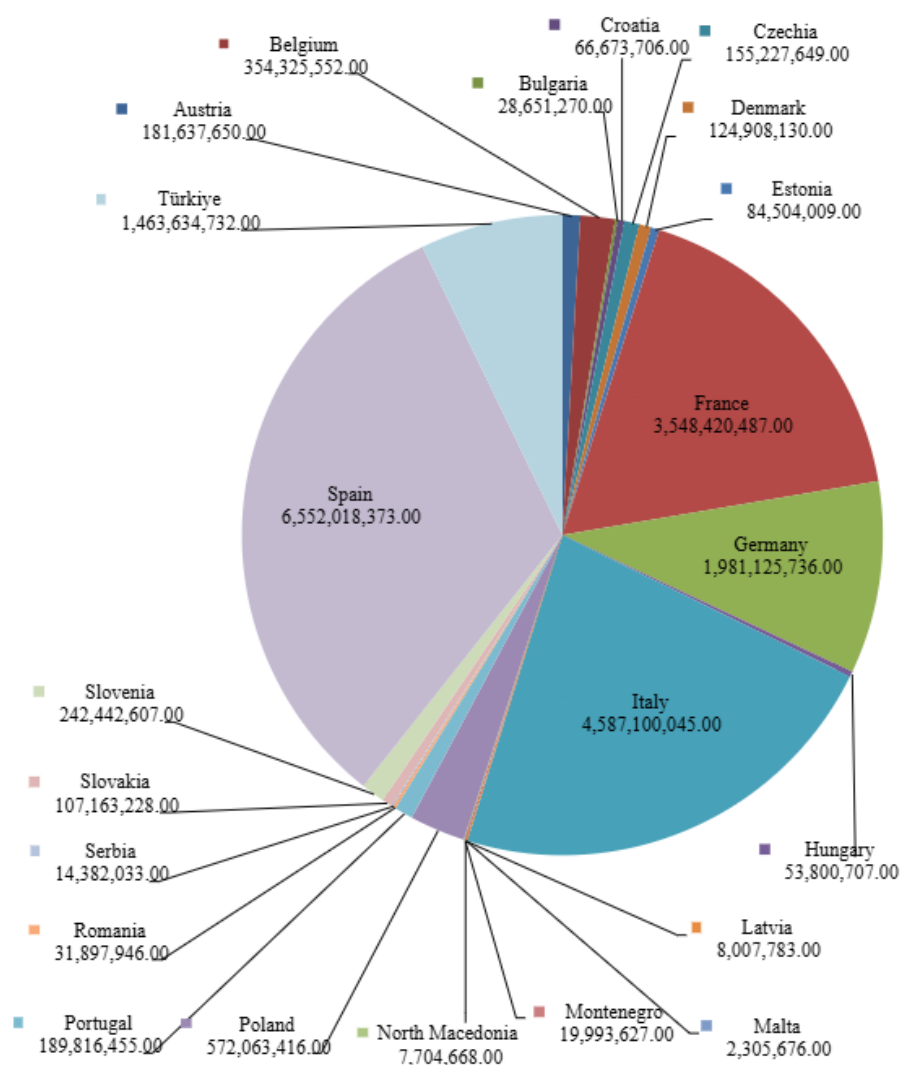
<sup>115</sup> Amounts without additional resources; including additional resources, the commitment appropriations were EUR 1,063.3 million for CIP out of which EUR 489.1 million for SMEG.

<sup>116</sup> Amounts without additional resources; including additional resources, the payment appropriations were EUR 1,022.5 million for CIP out of which EUR 450.9 million for SMEG.

<sup>117</sup> Source: EIF's SMEG 07 annual report as at 31/12/2024.

<sup>118</sup> Source: EIF's SMEG 07 annual report as at 31/12/2024; total loan volume received by the recipient SMEs = EUR 20,377.8 million / EU guarantee cap amount = EUR 478.1 million; based on the effective budgetary EU contribution committed as at 31/12/2024 = EUR 476.98 million, the leverage effect is 42.7 (see summary table below).

<sup>119</sup> Source: EIF's SMEG 07 annual report as at 31/12/2024; "Estimated SME financing" = EUR 22,967.7 million / EU guarantee cap amount = EUR 478.1 million.



## Main issues for the implementation

The Facility is closed for new operations as from 30/09/2014 and the inclusion period for new loans into the supported portfolios is finished as well. No specific implementation issues have been identified. However, the EIF guarantee duration is 10 years, so the portfolio is still impacted by guarantee calls, which undergo a systematic prior check before payment by the EIF, ending up sometimes with the rejection of the operation and/or of the final recipients: this ensures that any effective payment under the facility is compliant with the EU provisions, and in turn this also accounts for some potential decrease over time in the figures (financing, loans, final recipients, etc.) as reported under the section “Operational Performance” above.

Since the Facility is closed for new agreements as from 30/09/2014, it was decided to close the monitoring of CIP SMEG07 as from year 2023.

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

Besides, the relevance of the instrument as assessed by the recipient SMEs is significant:

- 46% stated that the EU financing scheme was their only option available to get financing;
- 18% of recipient SMEs stated that without the EU support they would have received only part of the funding needed;

- 42% of recipient SMEs stated that the EU support helped them to get additional finance and
- 64% of recipient SMEs stated that EU support was crucial to find the finance needed.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed <sup>120</sup>	476,983,761.00	478,100,000.00
Leverage effect	42.7	48
Multiplier effect	62.4	67.2
Operations	62	62
Financing provided to final recipients	20,377,800,000.00	22,967,700,000.00
Number of final recipients	384,048	315,000
Investments made by final recipients due to the received financing <sup>121</sup>	29,784,700,000.00	32,154,780,000.00

## Financial Information

Financial Information (EUR)	SME Guarantee Facility (SMEG07) under the Competitiveness and Innovation Framework Programme (CIP) - CIP SMEG 07		
Type of instrument	Guarantee		
Year of inception	2007		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		-206,749.81	489,073,644.95
<i>of which from third countries</i>		0.00	22,748,338.00
<i>of which from reflows</i>		0.00	12,089,884.00
Budgetary payments		0.00	450,903,606.83
<b>Reflows</b>	<b>(2)</b>		
Revenues		2,335,176.48	45,388,245.37
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		2,335,176.48	27,481,225.37
<i>to the general budget</i>		0.00	11,402,380.00
<i>returned to be used</i>		2,335,176.48	16,078,845.37
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		2,585,994.16	416,721,127.16

<sup>120</sup> The actual figure stems from the FS 2024; the target one equals the "guarantee cap amount" and is sourced from the EIF 's CIP SMEG 07 annual report as at 31/12/2024.

<sup>121</sup> Please note that, in the absence of any effective figure for the *target* investments, it has been applied a proxy of 1.4 on the "target financing" sourced from the EIF SMEG 07 annual report as at 31/12/2024 (EUR 22,967,700,000), in order to come up with the "target investments by final recipients" (EUR 32,154,780,000). The *actual* investments figure is sourced from the EIF SMEG 07 annual report as at 31/12/2024.

Guarantee calls recovered		2,488,535.00	66,523,431.67
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		387,000.00	23,892,550.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		27,869.00	1,525,990.78
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	1,646,021.14
Net treasury result (including interest) (gains (+) / losses (-))		2,435,760.00	33,332,076.72
Net FX gains (+) / losses (-)		49,928.00	-1,746,240.21
Other revenues		0.00	0.00
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		82,295,165.00	128,932,120.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		10,428,997.00	16,311,043.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		56,076,383.00	54,988,103.00
<i>in euro</i>		35,181,213.00	34,003,121.00
<i>in non-euro currencies</i>		20,895,170.00	20,984,982.00
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

- (1) EUR 206,749.81 decommitment in 2024.
- (2) In line with Article 35(1) of the InvestEU Regulation, 2024 reflows in the amount of EUR 2,335,176.48, 2023 reflows in the amount of EUR 873,525.89 and 2022 reflows in the amount of EUR 780,258.96 were assigned to InvestEU. 2021 reflows in the amount of EUR 3,019,799.47 were assigned to the Public Sector Loan Facility.

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

N/A



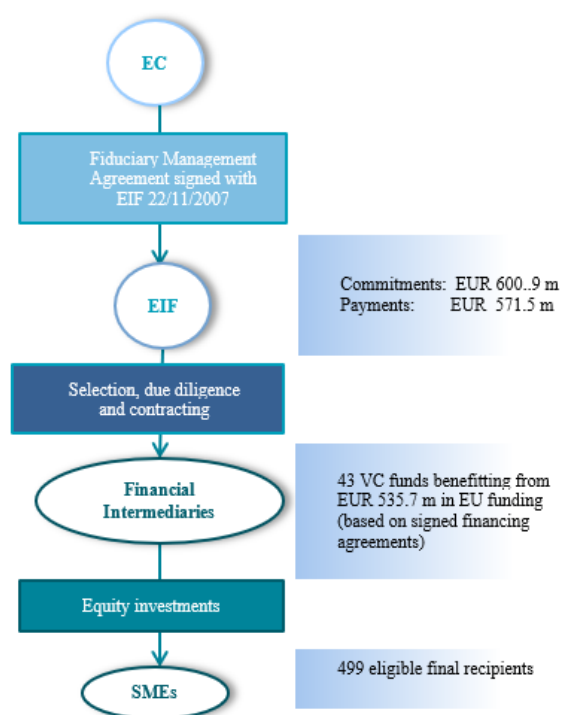
## 4.8 High Growth and Innovative SME Facility (GIF) under the Competitiveness and Innovation Framework Programme (CIP) - CIP GIF

### Description

Identification / Reference to the basic act			
Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310/15, 9.11.2006, p.15)			
Budget lines			
02.029901			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	7,810,920.00	7,800,000.00	0.00

Initial financial envelope <sup>122</sup> :	EUR 623,000,000.00
Current financial envelope <sup>123</sup> :	EUR 554,754,760.53
Overall financial envelope <sup>124</sup> :	EUR 574,229,117.80

### General description



Financing provided: **EUR 1,801.9 m**

Investment realised: **EUR 4,504.7 m**

under the Competitiveness and Innovation Framework Programme (CIP).

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

The Designated Service (former DG ECFIN, now integrated into DG GROW) was actively involved in the FI approval process. Each deal was to be approved by the EIF Board of Directors and the Designated Service. Since the Facility is closed for new operations as from 30/09/2014, it was decided to stop its monitoring as from 2019. The Designated Service will continue the reporting until the wind-up of the facility.

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

under the Competitiveness and Innovation Framework Programme (CIP).

<sup>122</sup> Initial voted commitments, including the CBS programme reallocations (EUR 73 million).

<sup>123</sup> Including increase / decrease in budget commitments from 2008 to 2024 without additional resources.

<sup>124</sup> Including changes in budget commitments from 2008 to 2024. The initial split CIP budget between the GIF and SMEG instruments was only indicative. CIP's share of the SMEG instrument has increased in line with market needs, leading to a lower current overall programme budget for GIF.

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

## **Duration**

Date of agreement signature with the implementing partner: 22/11/2007

Date of last budgetary commitment: 31/12/2013

Date of end of agreements' signing period: 30/09/2014

Expected date of exit from equity investments: 2026

Expected termination date of the FI: The effective termination date has not been defined yet. Appropriate arrangements for the timely and cost-effective winding-down of the FI after the nineteenth year following the signature of this Agreement (22/11/2026) have been negotiated between the Commission and the EIF.

## **Added value, final recipients and projects**

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

## **Financial institutions involved in implementation**

Policy DG in charge: DG GROW.

Implementing DG in charge: DG GROW, after the Commission's reorganisation in February 2025 (previously DG ECFIN).

Implementing Partner in charge: EIF.

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

By 31/12/2024 GIF consisted of 43 venture capital funds having invested EUR 1,801.9 million in eligible final recipients from 18 countries (based on a total EUR 535.7 million EU contribution committed to financial intermediaries<sup>125</sup>).

Until end 2024 the main GIF achievements were as follows<sup>126</sup>:

- Financial intermediaries<sup>127</sup>: 43
- Final recipients achieved<sup>128</sup>: 499<sup>129</sup>

<sup>125</sup> "GIF net commitments", source: EIF's GIF Q4 Quarterly report with data as at 31/12/2024.

<sup>126</sup> Excluding terminated agreements.

<sup>127</sup> Source: EIF's GIF Q4 Quarterly report with data as at 31/12/2024.

<sup>128</sup> Source: EIF's GIF Q4 Quarterly report with data as at 31/12/2024.

<sup>129</sup> 617 final recipients in participating countries, out of which 499 eligible final recipients. Source: EIF's GIF quarterly & annual report (table 8) as at 31/12/2024.

- Jobs created or maintained<sup>130</sup>: 9,908
- Total financing achieved<sup>131</sup>: EUR 1,801.9 million
- Total financing expected<sup>132</sup> : EUR 3,588.0 million
- Total investment realised<sup>133</sup>: EUR 4,504.7 million

For 2007-2024, EUR 1,031.7<sup>134</sup> million of commitment appropriations were made available for the CIP financial instruments, of which EUR 554.8 million for GIF<sup>135</sup>. The appropriations were fully committed.

Regarding payments appropriations for 2007-2024, out of the EUR 990.9 million made available for the CIP financial instruments, EUR 552.1 million were paid to the GIF fiduciary account<sup>136</sup>, managed by the EIF for the Commission. Funds are paid from the fiduciary account when venture capital funds under GIF give a draw down notice.

Until 31/12/2024, the GIF already contributed to provide more than EUR 1,801.9 million of financing to 499 final recipients<sup>137</sup> for an estimated investment amount over EUR 4.5 billion. The corresponding achieved financing leverage effect for CIP GIF at the level of the entrusted entity<sup>138</sup> is around 3.25 meaning EUR 1 EU funding generated more than EUR 3 financing into SMEs. The achieved multiplier effect is around 8.12 (based on a total investment realised of EUR 4,504.7 million / EU Contribution committed to financial intermediaries of EUR 535.7 million) - meaning EUR 1 EU funding generated more than EUR 8 in investment at SME level.

The (expected) target financing leverage effect for signed operations<sup>139</sup> is estimated at around 6.69<sup>140</sup> for the entire duration of the programme.

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

## Geographical diversification

By the end of 2024, the GIF "Total financing achieved"<sup>141</sup> of EUR 1,801.9 million breakdown per country was as follows:

<sup>130</sup> Note: Employment Report as at 31/12/2012 (latest available).

<sup>131</sup> Source: EIF GIF Annual report 2024, table 8, "total amounts invested in eligible final recipients".

<sup>132</sup> i.e.: target financing volume ("Target Intermediary Size", source: EIF's GIF Q4 Quarterly report with data as at 31/12/2024).

<sup>133</sup> Source: proxy 2.5 on total financing achieved.

<sup>134</sup> This amount has been lowered in 2016-2024 by EUR 211.7 million decommitments.

<sup>135</sup> Including additional resources, the commitment appropriations were EUR 1,063.3 million for CIP out of which EUR 574.2 million for GIF.

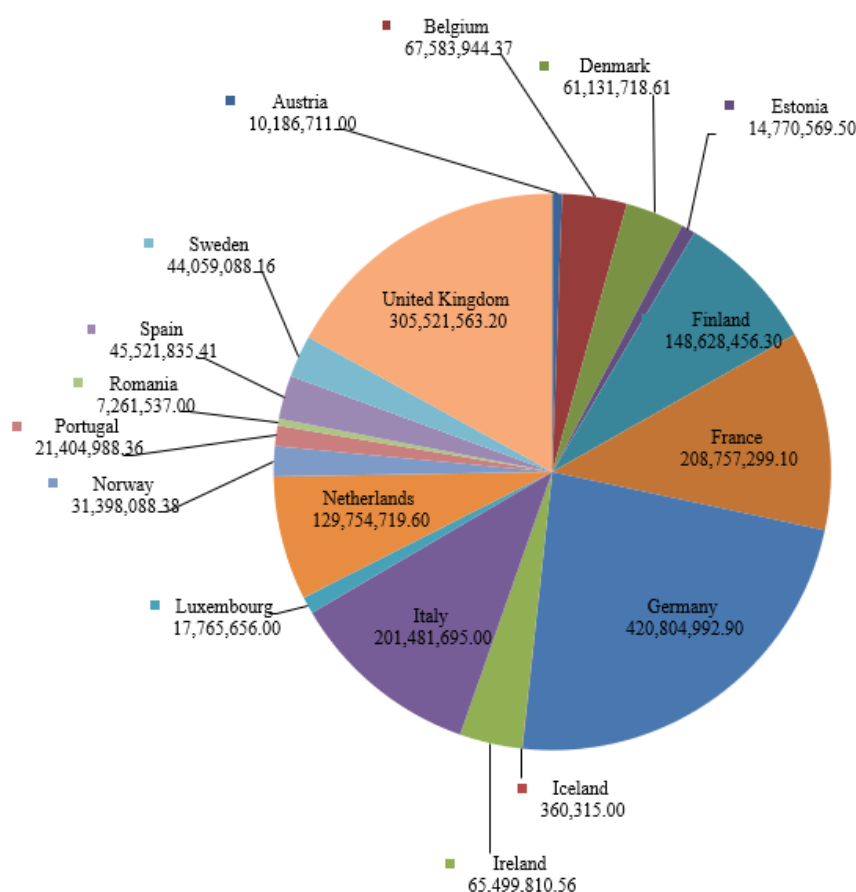
<sup>136</sup> including additional resources, the payment appropriations were EUR 1,022.4 million for CIP and EUR 571,5 million for GIF.

<sup>137</sup> The total number of Final Recipients is 642 (source: EIF's Q4 quarterly report with data as at 31/12/2024). Out of those, 617 are located in participating countries and 499 are Eligible Final Recipients. The VC funds supported may address non-eligible FBs as well as eligible, but EU finances only eligible FBs out of those.

<sup>138</sup> Total amounts invested by the funds in eligible final recipients of EUR 1,801.9 million / EU Contribution committed to financial intermediaries of EUR 535.7 million.

<sup>139</sup> Target Intermediary Size (EUR 3 587,9 m) / EU Contribution committed to financial intermediaries (EUR 535.7 m).

<sup>140</sup> Source: EIF's Q4 Quarterly report with data as at 31/12/2024.



## Main issues for the implementation

The Facility is closed for new operations as from 30/09/2014. No specific implementation issues have been identified. The GIF efficiency can be testified notably by the EIP Final Evaluation, as summarised below.

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

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

On Effectiveness, the funds are getting to the intended recipients with the desired effects for growth, innovation and employment. 77% stated that the equity financing made it easier to obtain additional financing. Over 90% said that the financial support had a positive impact on their long-term growth prospects. 62% expected an increase in turnover (between 26% and 100%). 83% identified themselves as engaged in product / service innovation.

<sup>141</sup> Source: EIF GIF Annual report 2024, table 8, “total amounts invested in eligible final recipients”.

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

On Efficiency, general stakeholders have the impression that the instruments are administered efficiently, and that money is not wasted.

On Utility, most recipients said the support was the only option for obtaining the funds needed.

On European value-added, the report recognised the leverage effect achieved, the fact that 80% of GIF recipients operate internationally and that VC funds i) have a broader geographical focus and ii) operate across boundaries.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	554,754,760.53	554,754,760.53
Leverage effect	3.25	6.47
Multiplier effect	8.12	16.17
Operations	43	43
Financing provided to final recipients	1,801,892,988.00	3,587,954,926.00
Number of final recipients	499	499
Investments made by final recipients due to the received financing	4,504,732,470.00	8,969,887,315.00

## Financial Information

Financial Information (EUR)	High Growth and Innovative SME Facility (GIF) under the Competitiveness and Innovation Framework Programme (CIP) - CIP GIF		
Type of instrument	Equity		
Year of inception	2007		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		10,920.00	600,959,406.00
<i>of which from third countries</i>		10,920.00	24,851,463.00
<i>of which from reflows</i>		0.00	19,474,357.27
Budgetary payments		7,810,920.00	571,574,564.98
<b>Reflows</b>	<b>(1)</b>		
Revenues		27,967,813.71	234,269,981.91
Repayments		12,941,458.27	425,384,022.06
Total reflows entered into the budget, of which:		40,909,271.98	500,071,603.99
<i>to the general budget</i>		0.00	11,578,463.00
<i>returned to be used</i>		40,909,271.98	488,493,140.99
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00

Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	10,462,083.61
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	34,071,096.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		11,370.00	7,898,027.15
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		9,539,633.00	161,882,126.32
Net treasury result (including interest) (gains (+) / losses (-))		2,775,547.00	11,719,086.41
Net FX gains (+) / losses (-)		441,355.00	-1,962,228.30
Other revenues		0.00	7,798,647.00
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		265,116,083.80	311,966,139.80
Value of equity investments		231,592,374.80	277,123,722.80
<i>Investment at cost</i>		130,857,314.00	140,603,548.24
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		63,917,966.00	73,892,322.00
<i>in euro</i>		60,607,214.00	71,224,319.00
<i>in non-euro currencies</i>		3,310,752.00	2,668,003.00
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

- (1) 2021 reflows in the amount EUR 25,139,860.35 were returned to be reused, of which EUR 2,676,994.86 were assigned to InvestEU in line with Article 35(1) of the InvestEU Regulation and EUR 22,462,865.49 were assigned to the Public Sector Loan Facility. 2022 reflows in the amount EUR 77,789,264.02 were returned to be reused, of which EUR 19,076,207.66 were assigned to InvestEU and EUR 58,713,056.36 were assigned to the Public Sector Loan Facility. 2023 reflows in the amount EUR 147,512,627.99 were returned to be reused, of which EUR 81,780,454.20 were assigned to InvestEU and EUR 65,732,173.79 were assigned to the Public Sector Loan Facility. 2024 reflows in the amount of EUR 40,909,271.98 were assigned to InvestEU.

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

N/A

## 4.9 SME Initiative (focus on indirect management Commission part, i.e., COSME LGF/InnovFin SMEG)

### Description

#### Identification / Reference to the basic act

The EU SME Initiative may receive funding from the following EU budget sources:

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

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

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

### General description



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

Within the financial instruments "family", the SME Initiative is a real novelty, in that it combines different EU funding resources in one financial instrument – namely resources from ESIF, COSME or Horizon 2020 and EIB Group resources. Thereby, it provides significant leverage of (both public and private) additional resources to be mobilised for SME support.

Its overall aim is to enhance access to finance for SMEs, to stimulate economic growth and entrepreneurship. Access to finance is a real issue in the economy of at least several Member States in Southern and Eastern Europe: the problem is not so much the lack of liquidity in the market, but the missing transmission of that liquidity into the real economy, so that SMEs have adequate access to finance at reasonable conditions, which enables them to invest, develop their competitiveness and grow. Often, a lack of collateral on the SME side is the main reason banks are not willing to lend.

### Duration

The period of time during which the participating Member State may commit funds to the EIF was to expire on 31 December 2016, but was extended with changes to the CPR in 2018. The end of the eligibility period was 31 December 2023.

The SME Initiative contributes to the objectives of better SME access to finance and, thereby, enhanced SME competitiveness, innovativeness and growth.

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



Three financial instruments can be implemented under the SME Initiative. In substance, they boil down to two alternative ways of operating, namely:

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

(\*\*) securitisation instruments (with two possibilities, i.e., option n°2 securitisation instrument with MS contribution used exclusively for the participating MS and option n°3 securitisation instrument with several MS contributions pooled and used to provide protection on the aggregate exposure, particularly to the mezzanine tranches guaranteed by EIF).

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

### Financial institutions involved in implementation

The EIF is the entrusted entity for the SME Initiative.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

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

The SME Initiative supported final recipients in 6 Member States that provided a total of ERDF contribution of almost EUR 1.5 billion.

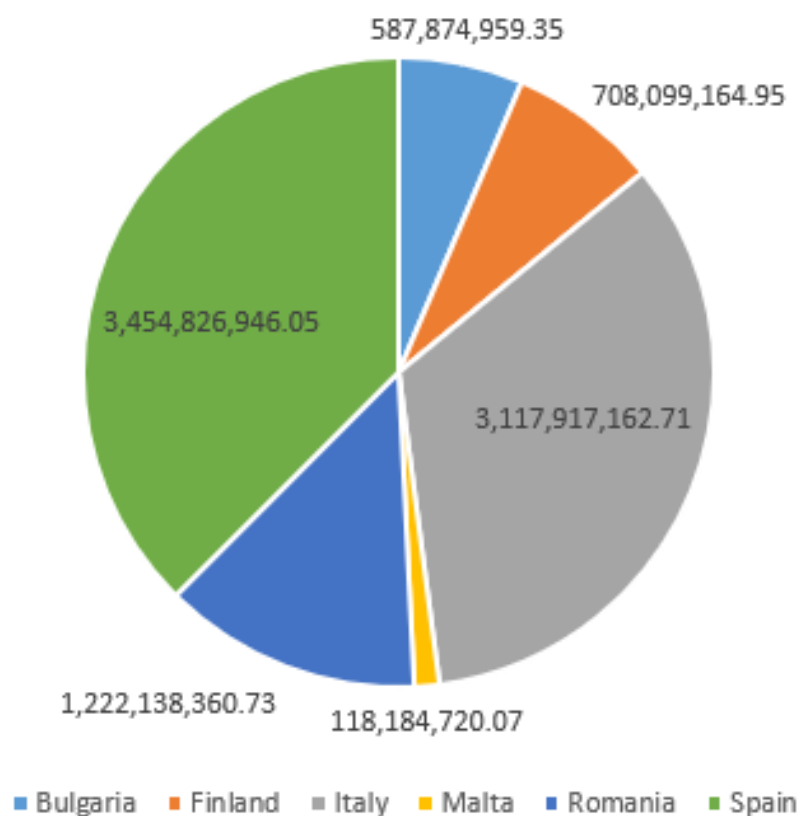
Member State	ERDF contribution (EUR)
Bulgaria	102,000,000
Finland	20,000,000
Italy	320,000,000
Malta	29,000,000
Romania	250,000,000
Spain	734,965,691
<b>Total</b>	<b>1,455,965,961</b>

### Geographical diversification

The SME Initiative is implemented in six Member States. Financing provided to final recipients is distributed by Member State as follows:

Member State	Number of financial intermediaries	Number of financial recipients	Financing provided to final recipients (EUR)
Bulgaria	9	3,994	587,874,959.35
Finland	7	1,152	708,099,164.95
Italy	9	15,013	3,117,917,162.71
Malta	2	982	118,184,720.07
Romania	14	3,881	1,222,138,360.73
Spain	28	37,494	3,454,826,946.05
<b>Total</b>	<b>69</b>	<b>62,516</b>	<b>9,209,041,314</b>





Bulgaria: 9 financial intermediaries with a target volume of EUR 394 million and an actual volume of EUR 587.9 million for 4,633 transactions to 3,994 final recipients.

Finland: 7 financial intermediaries with a target volume of EUR 285.4 million and an actual volume of EUR 708.1 million for 1,276 transactions to 1,152 final recipients.

Italy opted for the use of the Securitisation instrument under the SME Initiative, combined with COSME resources. At the end of 2024, 9 agreements have been signed with 9 Italian financial institutions, in the form of synthetic securitisation transactions, allowing the financial institutions to build up over EUR 3 billion of new financing to SMEs, which improves the access to finance for over 15,000 SMEs located in Italy. As of 31/12/2024, the target volume of financing is EUR 3,135 million and the actual volume EUR 3,118 million for 18,025 transactions to 15,013 final recipients.

Malta: 2 financial intermediaries with a target volume of EUR 96.5 million and an actual volume of EUR 118.2 million for 1,152 transactions to 982 final recipients,

Romania: 14 financial intermediaries with a target volume of EUR 1,618.7 million and an actual volume of EUR 1,222.1 million for 5,405 transactions to 3,881 final recipients,

Spain: 28 financial intermediaries with a target volume of EUR 2,726.4 million and an actual volume of EUR 3,454 million for 44,441 transactions to 37,494 final recipients.

The financing provided to final recipients investments amounted to EUR 9.2 billion and the total investments made by final recipients due to the received financing amounted to EUR 12.5 billion.

### Main issues for the implementation

No specific issue has been identified.

## Performance, financing and investments

Key figures (EUR)	Actual
EU Contribution committed <sup>142</sup>	1,481,222,878
Leverage effect	6.22
Multiplier effect	8.44
Operations	69
Financing provided to final recipients	9,209,041,314
Number of final recipients	62,516
Investments made by final recipients due to the received financing	12,500,000,000

## Financial Information

The financial information regarding the EU level instruments that contribute to the SME Initiative is presented in chapter 4.1 COSME Loan Guarantee Facility (LGF) and chapter 4.3 Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee) of this document.

The annual summaries of data on the progress made in financing and implementing the financial instruments for the programming period 2014-2020 prepared in accordance with Article 46 of the CPR provide a report on the ERDF contribution to the SME Initiative<sup>143</sup>.

<sup>142</sup> Including EUR 3,400,000 from 4.1 COSME Loan Guarantee Facility (LGF) and EUR 21,856,917 from 4.3 Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee).

<sup>143</sup> The Annual summaries of data on the progress made in financing and implementing the financial instruments for the programming period 2014-2020 in accordance with Article 46 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council ('CPR') are available in this link:  
[https://ec.europa.eu/regional\\_policy/funding/financial-instruments\\_en](https://ec.europa.eu/regional_policy/funding/financial-instruments_en)

## E. External Policies

### 5.1 Western Balkans Investment Framework (WBIF)

#### Description

Identification / Reference to the basic act			
Regulation (EU) 2021/1529 of the European Parliament and of the Council of 15 September 2021 establishing the Instrument for Pre-Accession Assistance (IPA III). Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11 March 2014 establishing an Instrument for Pre-accession Assistance (IPA II). Council Regulation (EC) No 1085/2006 of 17 July 2006 establishing an Instrument for Pre-Accession Assistance (IPA).			
Budget lines			
B2009-22.020701, B2009-22.020701, B2009-22.020701, B2011-22.020701, B2016-22.020401, B2021-15.029901 (EFSE). BGUE-B2009-22.020701, BGUE-B2009-22.020701, BGUE-B2009-22.020701, BGUE-B2009-22.020701, BGUE-B2017-22.020401; B2021-15.029901 (GGF). BGUE-B2024-15.020201-C1-NEAR (GGFII). 22.02.51 (ENIF); 22.02.51 (ENEF). BGUE-B2021-15.029901-C8-NEAR (ENEF II). BGUE-B2013-22.020701-C1-ELARG (GFI); BGUE-B2017-22.020102-C8-NEAR (GFSerbia); BGUE-B2015-22.020401-C8-NEAR (GFII); BGUE-B2021-15.029901-C8-NEAR (GFII4SME).			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	10,000,000.00	N/A	N/A
<b>Budgetary payment appropriations</b>	20,000,000.00	N/A	N/A

Initial financial envelope:	EUR 162,400,000.00
Current financial envelope:	EUR 394,001,506.92
Overall financial envelope:	EUR 394,001,506.92

#### General description

The Western Balkans Investment Framework (WBIF) was launched in 2009. It is a joint initiative of the EU, financial organisations, EU Member States and beneficiaries, contributing to the European perspective of the Western Balkans. Due to its collaborative nature in line with the “Team Europe” approach, the WBIF is the main vehicle for implementing the EU’s ambitious strategies for the region<sup>144</sup>. Being the EU financial platform for the region, WBIF coordinates and harmonises investments for socio-economic development in the region and its European perspective via both: public sector infrastructure and private sector support. It pools resources from various sources, namely from IPA, bilateral donors, IFIs, regional organisations and governments of the Western Balkans.

The main area of interventions cover: sustainable transport, clean energy, environment and climate, digital future, competitiveness of the private sector and human capital.

Across the Western Balkans, up to 99% of all enterprises are small or medium sized. These businesses are the key to ensuring economic growth, innovation, social integration and job creation on the EU accession path. In fact, in the 6 countries of the Western Balkans, SMEs employ between 60% and 80% of the active population. Therefore, WBIF possesses a big private sector wing to spur competitiveness for startups, small, and medium-sized enterprises, as well as corporates in the region. In some cases, the private sector funds are

<sup>144</sup> [Investment Plan for the Western Balkans](#), the [new Growth Plan for the Western Balkans](#) and the related Reform and Growth Facility.

provided to projects selected through a competitive procedure (call for investments or for proposals under the WBIF). In other situations, it is the EU that takes a proactive role to create specific projects with its WBIF partner that fill-in specific market gaps. The implementing partners are mainly pillar-assessed entities (DFIs/IFIs), where the EU funds in the form of instruments are used to de-risk and leverage additional funds in support to public and private investments in the region. A limited number of projects are implemented by NGOs or service providers, due to their specific technical expertise.

To leverage expertise and finance the WBIF cooperates with:

- IFIs: the European Investment Bank Group (EIB/EIF), the European Bank for Reconstruction and Development (EBRD), the World Bank group (WB), the International Finance Corporation (IFC);
- Bilateral donors active in the region, such as Italy (Casa Depositi e Prestiti), Austria (OeEB), Germany (KfW/DEG);
- Regional and local organisations: Organisation for Economic Cooperation and Development (OECD), Regional Cooperation Council (RCC), Chambers of commerce and industry and the Western Balkans 6 Chambers Investment Forum (WB6 CIF).
- Governments of the Western Balkans: (as investors in one of the equity funds)

The private sector wing of WBIF offers a variety of tools, divided into two main groups: a) access to finance instruments; b) advisory services, technical and analytical support.

The Equity component promotes best market practise and contributes to the further development of the VC market in the region. Deployed via 3 different funds the equity/quasi equity focuses on various types of companies. One of them covers innovative companies from seed and early stage to later stage development (currently in disinvestment period and looking for successor fund). Another two are targeting established SMEs with high growth potential in their respective markets, as well as big businesses in need of expansion capital. The governments of the beneficiary countries, bilateral donors and private investors are also contributing to those funds. Two of those funds are assisted by an advisory service.

The Guarantee Facilities serve to provide a capped guarantee for SME loans via the participating commercial banks in the Western Balkan territories whereby such SMEs can obtain a loan to cover financing for investment and working capital (in many cases for up to EUR 500,000). Some of the EU-backed funded guarantees put special focus on youth employment, greening, digitalisation and resilience.

The Lending component allows the deployment of dedicated credit lines which will be extended to partner financial institutions for on-lending to SMEs in support of investments that lead to improvement of their overall competitiveness. These are complemented with investment incentives for SMEs to blend additional funding upon completion of set of requirements. Such loans could be also coupled with interest rate subsidy.

Technical assistance is the smallest part of the private sector support but is also crucial for the running of all financial instruments. The advisory services include consultancy, networking, and TVET actions, to increase the competitiveness of the companies, their investment readiness and compliance with the EU acquis. It also trains and support institutions and financial intermediaries to build portfolio or ensure ESG compliance, or appropriate reporting.

To achieve scale and mobilise other investors, WBIF is also investing into funds (as shareholder). The Green for Growth Fund and the European Fund for Southeast Europe are examples for such funds.

The operations reported in the section titled “key figures” are a limited sub-set of financial instruments in the form of equity or bank guarantees, which require opening a fiduciary account on behalf of the European Commission by an DFI/IFI. The other operations undertaken within the framework of WBIF (e.g. providing TA or investment grants) are not included below.

## Duration

First generation Guarantee Facility (debt instrument) was created in December 2012, when the Delegation Agreement with the EIF was signed. Several Guarantee facilities followed, with the last facility with the EIF being launched in December 2021. The total amount of all facilities is EUR 129 million under IPA. Most of the EIF guarantees have more than 10 years of implementation period and therefore the only remained active is the Resilience one that supported the Western Balkans companies to cope with the consequences of the COVID-19 pandemic and the war in Ukraine.

The most recent Guarantee scheme was signed with Kreditanstalt für Wiederaufbau (KfW). It was launched only in September 2024 but three inclusions took place immediately in Q4 for the full amount of EUR 48 million. The guarantee will run until December 2034.

The first equity fund was launched in February 2014 with an initial fund term of 10 years, further prolonged by 2 more years. The second equity-type fund started operations in 2015 and concluded its investment period in 2020. Both funds started their disinvestment phases already in 2020. Therefore, a third successor equity fund was set-up in 2022. Several investments were already executed, and it will continue functioning until June 2034. Total amount of the EU investment in equity operations is EUR 41.2 million for the three funds.

The first EU shares within the European Fund for Southeast Europe (EFSE) and the Green for Growth Fund (GGF) were taken in 2009. Their maturity was prolonged on several occasions with the latest amendment allowing subscription until 2024.

## Added value, final recipients and projects

The guarantee facilities with the EIF have a Guarantee rate of between 70% and 90%, depending on the risk profile of the companies. The Guarantee cap was initially up to 25% but was lowered with time. The exact guarantee rate and cap is being determined on a case-by-case basis. EIF signed operations with several local banks in the region and almost all of them show very good results and nearly full absorption by the market.

The Guarantee facility established with KfW has an indicative sub-guarantee cap rate of 45.83 % (EUR 22 million sub-guarantee amount; EUR 48 million EU guarantee amount).

Via the equity funding, WBIF diversifies sources of financing for innovative companies but also larger corporates, enabling growth and employment creating investments. The first of the funds was managed by a professional Fund manager (South central ventures) and financed the riskiest segments of business-innovative SMEs and start-ups/early-stage development, typically of interest to venture capital investors, who have avoided the region. Hence, it served as a market test for the venture capital investment potential in the region and a vehicle to attract private investors.

The two other funds provide equity and quasi-equity funding to bigger companies (such as preferred shares, convertible bonds, mezzanine or subordinated debt) on a selective basis as to diversify the access to finance. Typical investment tickets are in the range of EUR 1 to 7.5 million, with additional co-financing by the European Bank for Reconstruction and Development (EBRD). The first fund of this type was established as a pilot to allow for financial diversification and pave the way for the establishment of the equity. Its success brought into life a successor fund that is currently covering small innovative but also big companies.

## Financial institutions involved in implementation

The first five Guarantee facilities (EUR 129 million) were signed with EIF.

The sixth and the more recent Guarantee Facility for Resilience was contracted with KfW (EUR 48 million).

The EIF was the entrusted entity for the EU participation in two of the equity funds. The EU participation in the last one was ensured directly with EBRD.

The EU shares within the EFSE and GGF are managed by the EIF and KfW via Trusteeship Agreements.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

Financial instruments are used under the WBIF to enhance the availability and affordability of diversified financing to support access to finance to Micro Small and Medium-sized Enterprises (MSMEs) at various stages of their lifecycle. In 2024, the WBIF continued to contribute to the objective of the Economic and Investment Plan Flagship 9, investing in the competitiveness of the private sector.

The private sector support under WBIF contributed also to the implementation of the Growth Plan for the region. Private sector support and investments are getting increasing importance in the enlargement process. They represent around 25% of the national envelopes under the Reform and Growth Fund.

The financial instruments under WBIF support the economic convergence of the local market – is an essential element in getting the Western Balkan economies closer to the EU. They also help the creation of the Common Regional Market, as well as the establishment of EU-wide value chains, in line with the EU Strategic compass.

Under the three equity funds, there are 38 investments realised by the end of 2024. The achieved leverage and multiplier effect are between 3 and 7.

The achieved leverage via the Guarantees exceeds the initially envisaged leverage of 5. The actual leverage is ca. 7.6 and in some instances can reach more than 8. This higher leverage achieved throughout the years is a result of deployment of the instrument since 2013 in the region, the established relationship between EIF and the local intermediaries, as well as the improved experience of those intermediaries to develop EU-funded guarantee schemes.

### Geographical diversification

WBIF includes all six Western Balkans IPA beneficiaries, namely Albania, Bosnia and Herzegovina, Kosovo<sup>145</sup>, Montenegro, Republic of North Macedonia and Serbia. It is noted that for some financial instruments, set up before the accession of Croatia, the later was also an eligible beneficiary until 2014.

By the end 2024, the Guarantee Facilities with EIF (including all its replenishments) includes ca. 7,000 loans to companies in all 6 Western Balkans IPA beneficiaries. Benefiting from a special national envelope (EUR 20 million), Serbia is the biggest beneficiary.

The Resilience Guarantee Facility launched with KfW will cover Kosovo (EUR 22 million), Serbia (EUR 10 million) and Albania (EUR 16 million).

The three equity funds all together are covering all the six economies in the Western Balkans.

The EU shares in EFSE and GGF cover the entire geography of the Western Balkans.

### Main issues for the implementation

The Western Balkans Investment Framework faces challenges at different stages of its implementation. First, the reduction of resources available under the WBIF, largely reflecting the shift towards a greater use of budgetary guarantees under the EFSD+, makes the selection of projects under the WBIF stricter.

Therefore, a rigorous prioritisation of the various projects proposed by implementing partners is required.

<sup>145</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

The WBIF team, with support from EU delegations, ensures that selected projects are fully aligned with EU priorities (Global Gateway, Green Deal, Critical Raw Material Act, etc...) and the priorities of the Economic and Investment Plan for the Western Balkans, the Green Agenda for the Western Balkans and the Innovation Agenda for the Western Balkans and the Growth Plan for the Western Balkans as established in the WBIF Strategic Orientations.

Against this background, close coordination with the EU delegations, Western Balkans Beneficiaries, and local partners is necessary at each stage of the project. Efforts to enhance cooperation with EU delegations from the preliminary stage of the proposal have been made by Financial Institutions and could be further enhanced going forward. This cooperation with EU delegations has been improved regarding the monitoring of ongoing EU programmes with the establishment of portfolio review meetings with IFIs which are organised twice a year. It is a concrete opportunity for EU delegations to raise questions/concerns regarding the implementation of specific programmes in the WB region.

An assessment is also carried out based on the additionality that the EU contribution will bring in terms of benefits and results, notably as regards development impact, in comparison to what would have been achieved without the EU contribution.

The additionality varies depending on the context and is driven by country, sector, market and project characteristics. In particular, the “financial additionality” assessment involves quantitative considerations of the cost-effectiveness, efficacy and efficiency of the EU contribution for the achievement of relevant policy objectives, and notably for maximising positive impact on the ultimate beneficiaries.

The “development additionality” keeps into consideration, the capacity of the programme to contribute towards results that are not easily quantifiable, such as for instance the introduction or increase in the quantity and quality of services available in the targeted market.

In terms of implementation, contracting of approved contributions under the WBIF can sometimes take considerable time, especially as regards contracting of financial instruments. This is notably due to discussions on horizontal legal issues between the Commission and some Financial Institutions under the different Financial Framework Partnership Agreement (FFPA).

Also, visibility of projects funded under the WBIF could be further enhanced by the EU and Financial Institutions to mobilise further (private) investments and highlight the positive impact of EU funding.

Overall, there is a lack of information about the investments made by final recipients since this indicator was not defined at the contracting stage, which implies the impossibility to identify neither the Multiplier effect for the WBIF.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	338,988,116.54	N/A
Leverage effect	16.11	N/A
Multiplier effect	N/A	N/A
Operations	105	N/A
Financing provided to final recipients	5,461,000,000.00	N/A
Number of final recipients	390,960	N/A
Investments made by final recipients due to the received financing	N/A	N/A



## Financial Information

Financial Information (EUR)	Western Balkans Investment Framework (WBIF)		
Type of instrument	Blending		
Year of inception	2009		
Implementing Partner	EIF, KfW, EBRD		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		24,000,000.00	394,001,506.92
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		18,140,269.69	138,371,830.05
<b>Reflows</b>			
Revenues		342,963.34	342,963.34
Repayments		3,956,120.00	3,956,120.00
Total reflows entered into the budget, of which:		4,299,083.34	4,299,083.34
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		4,299,083.34	4,299,083.34
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		1,486,396.79	8,317,092.91
Guarantee calls recovered		100,236.93	2,588,473.74
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		306,889.00	12,389,897.15
Incentive fees		300,000.00	1,817,500.00
Treasury management fees		78,266.23	167,979.23
Other charges		1,091,592.17	4,598,853.78
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		-1,174,502.26	15,884,175.91
Net treasury result (including interest) (gains (+) / losses (-))		1,361,774.51	2,700,446.46
Net FX gains (+) / losses (-)		0.00	-126,575.00
Other revenues		0.00	613.26
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		327,617,253.02	302,805,676.08
Value of equity investments		235,233,973.02	223,774,731.66
<i>Investment at cost</i>		186,256,700.72	183,596,708.68
Value of loans		0.00	0.00



	<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions			24,820,996.00	14,402,013.11
<b>Assets under treasury management</b>				
Balance in the fiduciary bank account (including short term deposits <3months)			40,690,535.62	54,044,204.15
	<i>in euro</i>		40,690,535.62	54,044,204.15
	<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)			5,682,150.00	5,471,781.17

## Notes to the financial information

- (1) ENEF provides equity and quasi-equity. The total fund size is EUR 48.5 million, and the EC contribution is of EUR 11 million, which represents the 22.68% of the total fund. ENIF provides equity and quasi-equity and the total fund size is EUR 41.43 million, and the EC contribution is of EUR 14.1 million, which represents the 34.03% of the total fund.

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

N/A

## Financial information per implementing partner and instrument

EUR

Implementing Partner			EBRD	EIF	KfW	TOTAL
Budgetary commitments		2024	-	-	24,000,000.00	<b>24,000,000.00</b>
		Aggregated	19,000,000.00	160,637,963.74	214,363,543.18	<b>394,001,506.92</b>
Budgetary payments		2024	-	-	18,140,269.69	<b>18,140,269.69</b>
		Aggregated	5,000,000.00	86,350,000.00	47,021,830.05	<b>138,371,830.05</b>
Amounts committed by the Implementing Partner	Grants (including TA)	2024	N/A	N/A	N/A	-
		Aggregated	N/A	N/A	N/A	-
	Financial instruments	2024	N/A	N/A	N/A	-
		Aggregated	N/A	N/A	N/A	-
	Own resources	2024	N/A	N/A	N/A	-
		Aggregated	N/A	N/A	N/A	-
Administrative expenditure	Management fees	2024	47,760.99	617,394.24	20,000.00	<b>685,155.23</b>
		Aggregated	98,392.86	14,096,983.52	180,000.00	<b>14,375,376.38</b>
	Other charges	2024	-	23,308.17	1,068,284.00	<b>1,091,592.17</b>
		Aggregated	-	1,493,549.28	3,105,304.50	<b>4,598,853.78</b>
	Total	2024	47,760.99	640,702.41	1,088,284.00	<b>1,776,747.40</b>
		Aggregated	98,392.86	15,590,532.80	3,285,304.50	<b>18,974,230.16</b>

Financial Information (EUR)	Guarantee Facility I (GF I) under the Western Balkans Enterprise Development and Innovation Facility		Guarantee Facility II (GF II) under Western Balkans Enterprise Development and Innovation Facility		Enterprise Expansion Fund (ENEF) under the Western Balkans Enterprise Development and Innovation Facility		Enterprise Expansion Fund II (ENEF II) under the Western Balkans Enterprise Development and Innovation Facility		Enterprise Innovation Fund (ENIF) under the Western Balkans Enterprise Development and Innovation Facility	
Type of instrument	Guarantee		Guarantee		Equity		Equity		Equity	
Year of inception	2012		2015		2012		2022		2013	
Implementing Partner	EIF		EIF		EIF		EBRD		EIF	
	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>										
Budgetary commitments	0.00	21,900,000.00	0.00	107,137,963.74	0.00	10,400,000.00	0.00	19,000,000.00	0.00	21,200,000.00
<i>of which from third countries</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>of which from reflows</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Budgetary payments	0.00	21,900,000.00	0.00	32,850,000.00	0.00	10,400,000.00	0.00	5,000,000.00	0.00	21,200,000.00
<b>Reflows</b>										
Revenues	0.00	0.00	342,963.34	342,963.34	0.00	0.00	0.00	0.00	0.00	0.00
Repayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,956,120.00	3,956,120.00
Total reflows entered into the budget, of which:	0.00	0.00	342,963.34	342,963.34	0.00	0.00	0.00	0.00	3,956,120.00	3,956,120.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	342,963.34	342,963.34	0.00	0.00	0.00	0.00	3,956,120.00	3,956,120.00
<b>Losses from operations</b>										
<b>Guarantees</b>										
Guarantees called	0.00	1,928,834.00	1,486,396.79	6,388,258.91	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	58,285.37	743,636.37	41,951.56	1,844,837.37	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>										
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>										
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>										
Administrative fees	0.00	1,900,000.00	49,318.00	3,565,225.00	76,306.13	1,131,495.85	47,760.99	98,392.86	93,503.88	5,327,908.77
Incentive fees	0.00	0.00	300,000.00	1,817,500.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	58,315.23	58,315.23	19,951.00	109,664.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	26,656.17	263,375.17	0.00	25,500.00	-3,348.00	-0.35	0.00	0.00	0.00	1,204,674.46
<b>Revenues</b>										
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	213,828.77	-1,174,502.26	-293,814.26	0.00	0.00	0.00	15,964,161.40
Net treasury result (including interest) (gains (+) / losses (-))	436,507.40	902,176.01	791,686.00	1,157,692.34	-15,859.98	161,033.58	85,582.00	216,612.20	63,859.09	262,931.89
Net FX gains (+) / losses (-)	0.00	-124,499.00	0.00	-2,076.00	0.00	0.00	0.00	0.00	0.00	0.00
Other revenues	0.00	486.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	127.00
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>										
Maximum financial risk exposure	0.00	1,939,746.00	80,870,237.00	60,591,197.42	4,418,613.89	5,290,619.52	15,868,014.00	17,894,226.00	17,938,768.18	17,889,445.50
Value of equity investments	0.00	0.00	0.00	0.00	4,418,613.89	5,290,619.52	4,354,971.00	1,394,225.00	17,938,768.18	17,889,445.50
<i>Investment at cost</i>	0.00	0.00	0.00	0.00	3,305,536.07	3,681,824.61	4,486,957.00	1,499,999.00	9,611,633.91	9,562,311.33
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Loans at cost</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	1,999.11	24,820,996.00	14,400,014.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>										
Balance in the fiduciary bank account (including short term deposits <3months)	0.00	18,877,767.30	18,586,616.01	19,962,827.79	6,723,247.20	6,723,247.20	181,178.10	3,082,554.27	1,362,720.62	5,397,807.59
<i>in euro</i>	0.00	18,877,767.30	18,586,616.01	19,962,827.79	6,723,247.20	6,723,247.20	181,178.10	3,082,554.27	1,362,720.62	5,397,807.59
<i>in non-euro currencies</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other financial assets (including short term deposits >3months)	0.00	0.17	5,682,150.00	5,471,781.00	0.00	0.00	0.00	0.00	0.00	0.00

Financial Information (EUR)	Green for Growth Fund (GGF)		European Fund for Southeast Europe (EFSE)		EU-KfW WB Guarantee Covid-19 Response - Supporting Entrepreneurs and MSMEs to Safeguard Employment		GGF II - Promoting Green Lending in the Western Balkans	
Type of instrument	Blending		Blending		Guarantee		Blending	
Year of inception	2009		2005		2022		2024	
Implementing Partner	KfW/EIF		KfW/EIF		KfW		KfW	
	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>								
Budgetary commitments	0.00	75,855,289.10	0.00	114,508,254.08	0.00	0.00	24,000,000.00	24,000,000.00
<i>of which from third countries</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>of which from reflows</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Budgetary payments	176,748.00	16,613,426.37	4,126,748.00	16,571,629.99	0.00	0.00	13,836,773.69	13,836,773.69
<b>Reflows</b>								
Revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Repayments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>								
<b>Guarantees</b>								
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>								
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>								
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>								
Administrative fees	20,000.00	180,000.00	20,000.00	186,874.67	0.00	0.00	0.00	0.00
Incentive fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	0.00	0.00	1,068,284.00	3,105,304.50	0.00	0.00	0.00	0.00
<b>Revenues</b>								
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	0.00	0.44	0.00	0.00	0.00	0.00	0.00	0.00
Net FX gains (+) / losses (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>								
Maximum financial risk exposure	69,860,759.25	67,374,411.21	138,660,860.70	131,826,030.43	0.00	0.00	0.00	0.00
Value of equity investments	69,860,759.25	67,374,411.21	138,660,860.70	131,826,030.43	0.00	0.00	0.00	0.00
<i>Investment at cost</i>	68,083,232.73	68,083,232.73	100,769,341.01	100,769,341.01	0.00	0.00	0.00	0.00
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Loans at cost</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>								
Balance in the fiduciary bank account (including short term deposits <3months)	0.00	0.00	0.00	0.00	0.00	0.00	13,836,773.69	0.00
<i>in euro</i>	0.00	0.00	0.00	0.00	0.00	0.00	13,836,773.69	0.00
<i>in non-euro currencies</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

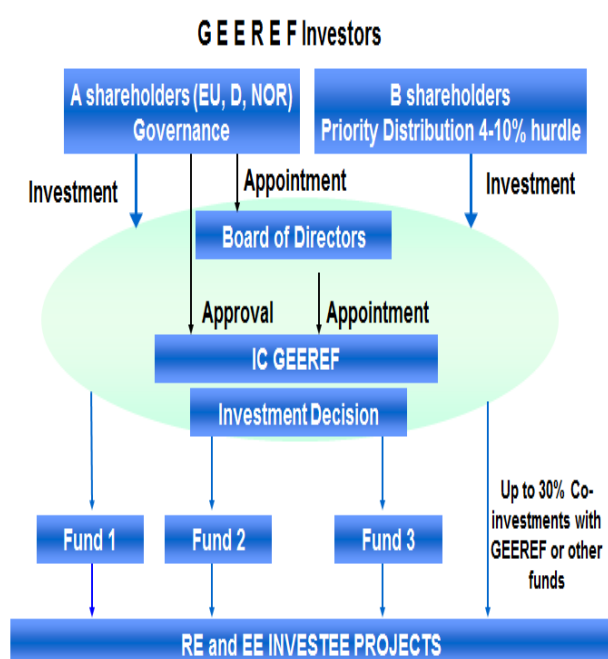
## 5.2 Global Energy Efficiency and Renewable Energy Fund (GEEREF)

### Description

Identification / Reference to the basic act			
Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation.			
Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020.			
Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action.			
Budget lines			
14.029902			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope:	EUR 25,000,000.00
Current financial envelope <sup>146</sup> :	EUR 101,100,000.00
Overall financial envelope:	EUR 101,100,000.00

### General description



GEEREF is a Fund-of-Funds, established as the first compartment of the European Initiative on Clean, Renewable Energy, Energy Efficiency and Climate Change related to Development SICAV, SIF. Its aim is promoting energy efficiency and renewable energy in developing countries and economies in transition. In addition to the European Commission, Norway and Germany have invested approximately EUR 13 and 23 million respectively in GEEREF and were actively involved in its creation. The Commission, Norway and Germany have all subscribed to first loss shares, and are called A-shareholders. In addition, 24 private investors have committed EUR 110 million to the fund, while the European Investment Bank (EIB) has also invested EUR 10 million. The EIB and the private investors (called 'B Shareholders') have second-loss shares in the fund.

### Duration

The EC mandate to EIB group was signed in December 2007. GEEREF's duration is 15 years from the initial closing date, 6 November 2008 and the investment period ended in 2019. The duration of the activities has been extended to 6 November 2025 or to the liquidation of the Fund; whichever comes first. The Board, the Advisor and Sub-Advisor are considering the options for GEEREF to harvest the value in the context of

<sup>146</sup> Committed amounts budget and EDF. The EUR 101.1 million also include EUR 5 million for Technical Assistance and EUR 20 million financed under European Development Fund ('EDF').

GEEREF's lifetime lapsing 6 November 2025. This includes a change of term until the earlier of i) 6 November 2030; ii) end of liquidation.

### **Added value, final recipients and projects**

The goal of GEEREF is to invest in private equity investment funds with a regional focus on small and medium-sized projects in developing countries and economies in transition, which contribute to the development and extension of renewable energy, energy efficiency and related clean energy technology markets and services. In turn, these funds invest in private sector projects, increasing the leveraging effect of GEEREF's investments.

### **Financial institutions involved in implementation**

GEEREF is advised by the EIB Group.

### **Operational Performance**

The current operations and results are covered by the full contribution committed (not only by the EC budget share) and have been slightly impacted by inflationary pressures. Over the fourth quarter of 2024 the performance of GEEREF remained broadly unchanged.

As of 31 December 2024, the Fund has signed commitments to 15 portfolio funds, of which 12 are still active:

- In 2009, the Fund invested ZAR 108.5 million (EUR 10 million at prevailing exchange rate) in Evolution One, which focuses on clean energy investment in Southern African Development Community ("SADC") countries. The fund is in a liquidation process and the Manager is doing its best to secure a liquidity event for Evolution One Fund LPs in the shortest period.
- In 2009, the Fund invested EUR 12.5 million in the Renewable Energy Asia Fund ("REAF"), which focuses on renewable energy projects in Asia (primarily India and the Philippines). REAF is currently in liquidation with two remaining assets. The team has successfully raised a successor fund, REAF II, into which GEEREF has also committed, cf. below for further information on REAF II.
- In 2010, the Fund made a conditional commitment of EUR 10 million in the DI Frontier Market Energy & Carbon Fund ("DI Frontier"), a private equity fund concentrating on renewable energy infrastructure in Eastern Africa. 13 out of the 19 project companies of the DI Frontier's portfolio were sold to Frontier II. The Fund used the proceeds of the sale of assets to Frontier II to finance the remaining capital need for the remaining assets.
- In 2011, the Fund made a conditional commitment of the USD equivalent of EUR 12.5 million (converted into USD 18.1 million) to Emerging Energy Latin America Fund II (formerly Cleantech Latin America Fund II), a private equity fund investing primarily in renewable energy infrastructure in Latin America and the Caribbean. Signature of the conditional commitment was completed on 4 July 2011. The last asset has been sold and the fund partnership has been dissolved on 7 November 2016 and no longer exists.
- In 2012, the Fund invested the USD equivalent of EUR 10 million in the Armstrong South East Asia Clean Energy Fund ("Armstrong") - a fund concentrating on investments in Southeast Asia. The last asset was exited in December 2022. Liquidation process of the fund was completed in H1 2024.
- At the end of December 2012, GEEREF signed a conditional commitment of EUR 10 million in the MicroCarbon Development Fund ("MCDF") - a fund focusing on energy efficiency projects in Central America and the Caribbean. In 2013, the fund changed its name to MGM Sustainable Energy Fund ("MSEF"). MSEF has now committed or allocated all its capital into 28 investments, 19 still active. LPs in the fund approved an extension of the fund term to November 6th, 2025. Since

inception, the MSEF portfolio has: i) generated 535,714 MWh of electricity, ii) saved 402,621 MWh of electric energy and iii) avoided/reduced ~415,178 tCO<sub>2</sub>e and finished its investment period.

- At the end of December 2014, GEEREF signed a EUR 12 million, in Indian Rupees, commitment to Solar Arise India Project Private Limited, an investment vehicle focussing on solar photovoltaic (“PV”) investments in India. The sale transaction of GEEREF stake in Solar Arise was closed in January 2023.
- On 12 June 2015, GEEREF signed a USD 13 million conditional commitment agreement to the Caucasus Clean Energy Fund I (“CCEF”). The fund is invested primarily in small and medium scale green-field run-of-river HPPs, with a capacity of approximately 10-20 MW. The fund made 8 investments (6 still active).
- On 14 September 2015, GEEREF signed a USD 19.6 million commitment into the Africa Renewable Energy Fund (“AREF”), a fund focusing on renewable energy infrastructure investments (small and medium-sized hydro, wind, solar PV, geothermal and biomass projects) across Sub-Saharan Africa (except South Africa). The fund invested in 18 companies (11 still active) and is in liquidation period.
- In December 2015, GEEREF signed a conditional commitment of up to EUR 15 million to the Renewable Energy Asia Fund II (“REAF II”). REAF II is the first follow-on fund from the existing GEEREF portfolio and successor to the Renewable Energy Asia Fund. The final close of REAF II was achieved in November 2017 at a size of just above USD 200 million. The fund has built a portfolio of 14 projects, early-stage renewable assets or project developers across different Asian countries.
- In July 2016, GEEREF signed a USD 16.6 million commitment to the Catalyst MENA Clean Energy Fund (“Catalyst” or “CMCF”) which reached a size to USD 57.3 million. The investment period was restated as a result of a remedial action plan requested by the fund’s limited partners. CMCF concentrates on renewable energy and energy efficiency investments in the Middle East and North Africa, with a special focus in Jordan. It made 6 investments (1 still active).
- In December 2016, GEEREF signed a USD 21 million conditional commitment to Evolution II, the successor fund to Evolution One to focus on Sub-Saharan Africa. The portfolio is composed of 12 portfolio of growth capital investments and infrastructure-type investments in the RE/EE and resource efficiency space, favouring the infrastructure-type investments.
- In March 2017, GEEREF signed a commitment of USD 20.8 million (equivalent of EUR 20 million) in Frontier Energy II, the successor fund to DI Frontier Fund (see above), targeting Renewable Energy projects in East Africa. By the end of Q4 2024 the Fund had deployed USD 196.9 million to 30 investments resulting in net deployed capital of USD 174.0 million. The 30 investments are structured in 32 portfolio companies with two investments being made via two portfolio companies. Of the 30 investments, 6 are in operation, 3 in construction, 2 have been exited before reaching construction, and 4 to be liquidated in the near future as they are not able to reach construction. The remaining 15 investments are all in development stage.
- In March 2019, MSEF II, the successor fund to MSEF achieved a closing including GEEREF. The final closing at USD 125 million occurred in Q3 2020. The main focus remains on Energy Efficiency projects in Latin America. The portfolio has as of 2024, 22 ESG-focused investments located in 7 countries. These 22 portfolio investments -consisting of 31 transactions- have generated to date reflows to the Fund of about USD 21.32 million of which USD 4.15 million correspond to 2024. In terms of jobs and small and medium enterprise (SME) support, during 2024, MSEF II investments contributed to 2,858 new jobs and generated business opportunities for 728 SMEs.
- In July 2019, GEEREF made a USD 19.6 million commitment in a pan-African renewable fund ARCH Africa Renewable Power Fund L.P. (“ARPF”). This fund already had a first close in February 2019 and a final closing in July 2021. Together with the General Partner and GEEREF,

investors committed ~USD 133 million to ARPF. As of end 2024, ARPF made seven investments (6 still active).

## Contribution to the achievement of the objectives of the programme

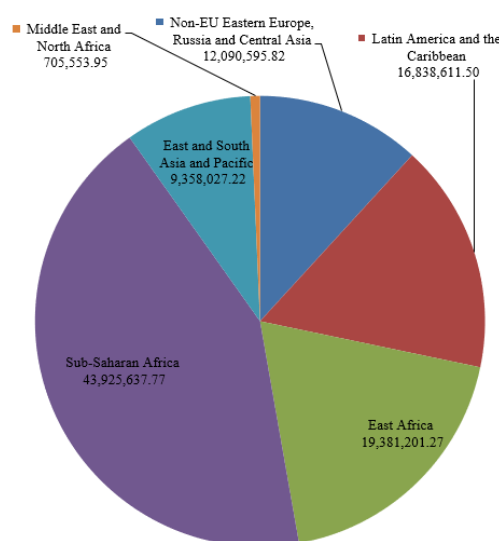
The GEEREF is effectively contributing to deliver projects of EU added value in energy access and efficiency. It is expected that the GEEREF will lead to an increased engagement of the private sector by providing “patient capital”. This will improve the investment conditions for private equity co-investors or senior lenders, thereby making selected project/SMEs eligible for funding from these sources, previously outside their reach. GEEREF ensures review and enhancement of the funds’ Environmental and Social (E&S) practices via regular monitoring.

As reported by the Fund Manager at the end of 2024, GEEREF has achieved the following results:

- 5.2 GW of clean energy capacity in different stages until December 2023<sup>147</sup> (1.6 GW in development, 0.4 GW in construction, 3.1 GW in operation).
- 8,856 GWH of clean energy have been generated in 2023<sup>148</sup> and 151 GWH Energy saved per year thanks to investments supported by GEEREF. This is equivalent to the annual energy consumption of more than 5.2 million households.
- 4.12 million tons of yearly emissions of CO2 equivalent expected to be avoided.
- As of end 2023<sup>149</sup>, GEEREF’s operational projects (including projects exited by the funds) had a climate mitigation effect of 24 million tonnes CO2 equiv. (cumulatively since 2015).
- GEEREF investments supported 7.1 thousand permanent male jobs; 3.7 thousand permanent female jobs; 24.1 thousand temporary male jobs; 11.3 thousand temporary female jobs and 194.6 thousand training hours.

## Geographical diversification

The scope of GEEREF is to support regional sub-funds for Sub-Saharan Africa, Caribbean, and Pacific Island States, the countries of the European Neighbourhood Policy and Russia, Latin America, and Asia (including Central Asia and the Middle East). There is a special emphasis on serving the needs of the African Caribbean and Pacific (ACP) countries.



<sup>147</sup> Latest data available at the reporting date.

<sup>148</sup> Latest data available at the reporting date.

<sup>149</sup> Latest data available at the reporting date.



## Main issues for the implementation

GEEREF is fully invested and the investment period ended in 2019. GEEREF has committed to 15 investments of which 12 are still active. No new investments will be concluded and GEEREF is in its divestment phase. Over the coming months several funds will enter into the liquidation/winding down stage as they end their life and are exited.

In 2024 GEEREF, its operations and funds, as the worldwide economy was affected by the effects of the inflation pressures. Exiting investments at attractive valuations remains a challenge. In particular on the African continent liquidity for exits is scarce.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	99,290,617.00 <sup>150</sup>	101,100,000.00 <sup>151</sup>
Leverage effect	1.03	2.18
Multiplier effect	8.70	9.89
Operations	15	13
Financing provided to final recipients	102,299,627.53	220,000,000.00
Number of final recipients	215	73
Investments made by final recipients due to the received financing	863,849,080.83	1,000,000,000.00

## Financial Information

Financial Information (EUR)	Global Energy Efficiency and Renewable Energy Fund (GEEREF)		
Type of instrument	Equity		
Year of inception	2007		
Implementing Partner	EIF		
	Notes	2024	All years
<b>EU Contribution</b>	<b>(1)</b>		
Budgetary commitments		0.00	80,615,616.65
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	79,515,616.65
<b>Reflows</b>	<b>(2)</b>		
Revenues		0.00	121,653.58
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		0.00	121,653.58
<i>to the general budget</i>		0.00	121,653.58
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			

<sup>150</sup> Including the financing from the European Development Fund ('EDF').

<sup>151</sup> EUR 101.1 million including EUR 5 million for Technical Assistance and EUR 20 million financed under European Development Fund ('EDF').



Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		105,695.93	1,444,836.83
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		0.00	3,756,081.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))		103,790.47	213,583.74
Net FX gains (+) / losses (-)		0.00	46,612.57
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		57,545,079.36	66,669,059.36
Value of equity investments		57,545,079.36	66,669,059.36
<i>Investment at cost</i>		74,301,000.00	74,301,000.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		3,372,984.45	3,374,890.17
<i>in euro</i>		3,372,984.45	3,374,890.17
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

- (1) Commitments and payments from budget only. Includes technical assistance.
- (2) The reflows have been sent back to the General Budget. They will not be re-used.

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

N/A

## 5.3 Facility for Euro-Mediterranean Investment and Partnership (FEMIP) - Debt instrument

### Description

Identification / Reference to the basic act			
Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument (OJ L 310, 9.11.2006, p.1)			
Budget lines			
22.04.51.00 and 14.029901			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	0.00	0.00
<b>Budgetary payment appropriations</b>	0.00	0.00	0.00

Initial financial envelope <sup>152</sup> :	N/A
Current financial envelope:	N/A
Overall financial envelope:	N/A

### General description

FEMIP was created in October 2002, following the conclusions of the Barcelona European Council in March 2002 stating that private sector development in the Mediterranean region should be enhanced to facilitate a higher level of economic growth. FEMIP combines loans of the European Investment Bank (EIB) with EU budget resources to provide technical assistance, risk capital and interest rate subsidies to promote sustainable economic growth in the region, through investments in infrastructure and especially in private sector development. Operations under FEMIP are implemented in indirect centralised management with EIB. The EIB is entrusted to carry out the implementation of these operations.

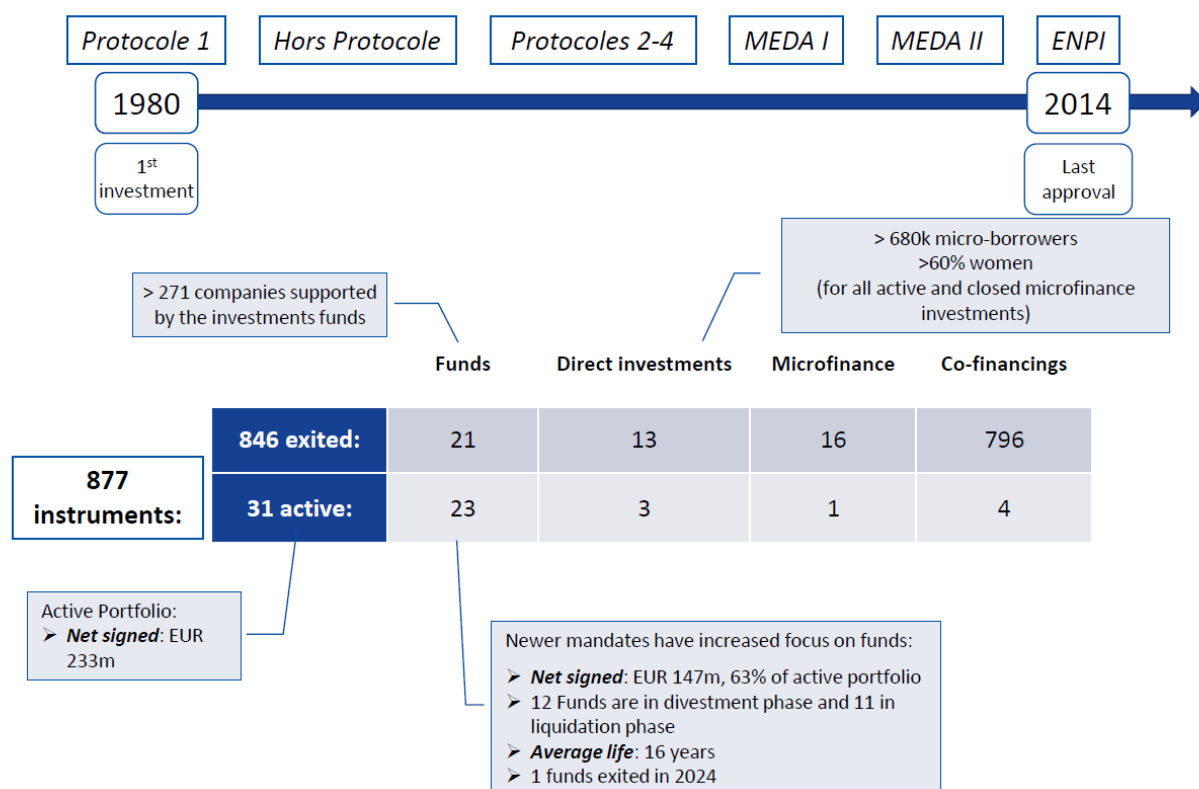
Countries that have received funding so far are Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine<sup>153</sup>, and Tunisia. Cross-border or regional projects are also eligible.

#### Overview on FEMIP risk capital operations:

The overall FEMIP portfolio is made up of 4 different instrument types: funds, direct investments, microfinance operations and co-financings.

<sup>152</sup> For the FEMIP there are no voted commitment appropriations at basic act or programming level specifically for financial instruments.

<sup>153</sup> This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.



Source: 2024 FEMIP Annual Report on Risk Capital (EIB)

## Duration

The last commitment in the framework of the FEMIP was decided in 2014, with an effective last payment on 5 February 2016.

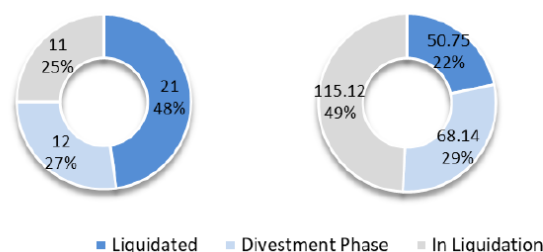
## Added value, final recipients and projects

Regarding risk capital operations, the investments helped develop the financial sector and provided a continuous, concrete difference in the local and regional economies. About 1,100 final recipients have been reached through the funds, co-financings, and direct investments made, and more than 680,000 final recipients have been supported through the microfinance operations (of which more than 60% are women).

### Maturity of the funds by number and net signed amount

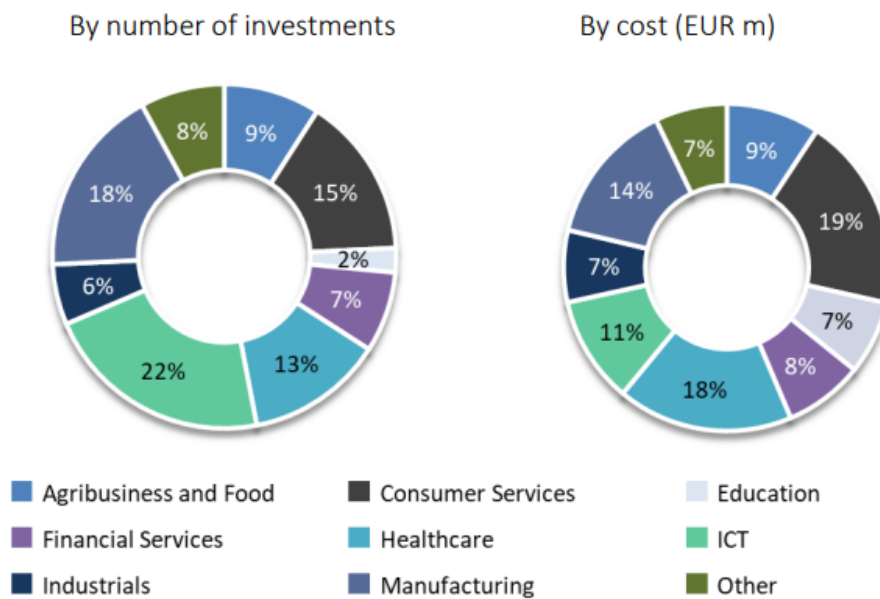
<b>Overall</b>	<b>EUR 232m</b> Net Signed Amount
• <b>44 funds</b> in the Overall Funds Portfolio	
<b>Active</b>	<b>EUR 147m</b> Net Signed Amount
• <b>23 funds</b> in the Active Funds Portfolio	
<b>TVPI</b>	<b>0.91x</b> for the Active Funds Portfolio

By number of funds      By net signed amount (EUR m)



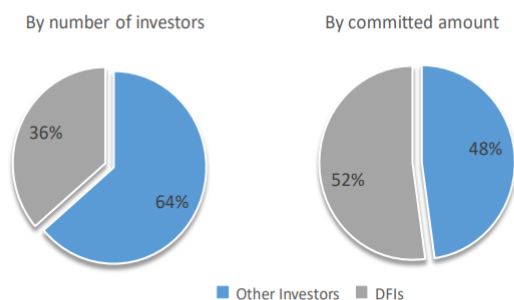
TVPI: Total Value to Paid-in Capital (also known as the 'Investment Multiple') is a measure of the performance of a private equity fund. It represents the total value of a fund relative to the amount of capital paid into the fund to date.

## Investment by Sector – final beneficiaries (Overall Funds' Portfolio)



## Financial institutions involved in implementation

### Overview of the co-investors types – Overall fund's portfolio



- Funds achieve a catalytic effect by gathering together and thus leveraging their investors' minority stakes
- The results on investments are maximized by cooperation with the companies' management and finding/creating synergies between the fund's portfolio investments
- DFI investors represent a smaller number but higher commitments than non-DFIs
- DFIs (including EIB) often act as anchor investors, with larger commitments to ensure sustainability of the business model
- Private investors (especially if new to the region and/or to the fund management team) tend to more prudently commit smaller tickets.

The most common DFI co-investors in the region are IFC (World Bank Group), followed by European national development banks and institutions (France, UK, Germany, Belgium, the Netherlands, Switzerland) and Moroccan development institutions.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

Risk capital operations under FEMIP are an important financing instrument for the Mediterranean region as they are providing a stable source of funding, supporting the development of the private sector in an environment with a recognised lack of equity resources:

- They help promote best market standards in the private equity and venture capital sector and encourage necessary policy developments.
- They cover the shortage of equity resources (particularly for SMEs).

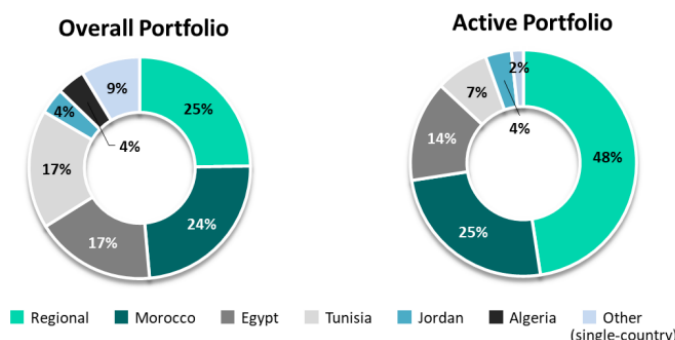
- They benefit from the EIB's track record as a shareholder of bringing additional non-financial value by:
  - attracting other potential investors and thus helping to mobilise funds,
  - encouraging funds to follow good international market practice in terms of governance and reporting, and
  - being involved at the board level/investment committee/advisory committee of the beneficiaries.

The performance of financial instruments within FEMIP was slightly eroded in 2024. The performance of the overall FEMIP portfolio (funds, direct investments, microfinance operations and co-financings) measured by Total Value to Paid-In (TVPI) is 0.94x in 2024 (or 0.91x for the active portfolio). The EUR 510 million disbursed are not fully expected to be recovered. However, sustainable financial instruments under this mandate still support regional private sector development and job creation.

## Geographical diversification

### Breakdown per Country – by number of investments

*The higher proportion of regional operations in the Active portfolio reflects the maturing market, particularly with respect to recurring fund managers, who feel more comfortable expanding their business beyond their initial single-country focus.*



## Main issues for the implementation

The geopolitical instability in the region during 2024, the shortage of strategic buyers, the challenging legal and regulatory frameworks acting as exit barriers (even fully exited funds can take years to be fully closed due to administrative burdens) and a very limited secondary market are among the main issues encountered for the implementation of FEMIP risk capital operations. Also price evolution of commodities, supply chain disruptions, inflation, interest rate increases, devaluation, increase in the unemployment rate are affecting the economies in the region explaining some erosion in the valuation levels of the FEMIP portfolio.

Finally, this is a maturing portfolio. Funds have all reached their tail-end phase and keep focusing efforts on selling the last unrealised assets or completing their administrative phase of wind down. This phase often leads to stagnating or diminishing returns over time, as the last assets to exit are often the most challenging ones.

## Performance, financing and investments<sup>154</sup>

Key figures (EUR)	Actual	Target
EU Contribution committed	224,000,000.00	N/A
Leverage effect	2.40	N/A
Multiplier effect	N/A	N/A
Operations	N/A	N/A
Financing provided to final recipients	537,300,000.00	N/A

<sup>154</sup> The figures reported here relate only to “FEMIP ENPI” in line with the obligations of Article 41(4) of the Financial Regulation while the narrative above refer to FEMIP overall (“MEDA” and “ENPI”) since inception.

Key figures (EUR)	Actual	Target
Number of final recipients	681,100	N/A
Investments made by final recipients due to the received financing	N/A	N/A

## Financial Information

Financial Information (EUR)	Facility for Euro-Mediterranean Investment and Partnership (FEMIP)		
Type of instrument	Blending		
Year of inception	2002		
Implementing Partner	EIB		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	224,000,000.00
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		0.00	224,000,000.00
<b>Reflows</b>	<b>(1)</b>		
Revenues		0.00	3,433,052.01
Repayments		0.00	71,620,513.48
Total reflows entered into the budget, of which:		0.00	75,053,565.49
<i>to the general budget</i>		0.00	36,484,845.45
<i>returned to be used</i>		0.00	38,568,720.04
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		877,013.00	8,675,319.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		782,708.00	16.781.692,01
Incentive fees		0.00	0,00
Treasury management fees		0.00	0,00
Other charges		5,874.00	21,501,114.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	6,767,043.00
Net treasury result (including interest) (gains (+) / losses (-))		609,813.00	2,172,673.00
Net FX gains (+) / losses (-)		215,818.00	868.280.41
Other revenues		0.00	1.043.091.01
	Notes	2024	2023
<b>Risk exposure</b>			

Maximum financial risk exposure		29,758,903.71	42,225,452.10
Value of equity investments		25,683,379.71	38,009,428.10
<i>Investment at cost</i>		48,548,753.71	53,847,235.71
Value of loans		0.00	0.00
<i>Loans at cost</i>		1,509,173.45	1,418,896.45
Financial liabilities and provisions		0.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		20,055,677.00	13,247,498.00
<i>in euro</i>		16,446,639.00	9,878,064.00
<i>in non-euro currencies</i>		3,609,038.00	3,369,434.00
Other financial assets (including short term deposits >3months)		0.00	0.00

### Notes to the financial information

(1) In 2024, there has been no reflow of funds. In total, the Commission recovered EUR 36,484,845.45 which entered into the general budget and EUR 38,568,720.04 were returned to the financial instrument.

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

N/A

## 5.4 ACP Trust Fund (ACP TF)

### Description

Identification / Reference to the basic act			
Regulation (EU) No 947/2021 of the European Parliament and of the Council of 9 June 2021 establishing the NDICI (Neighbourhood, Development and International Cooperation Instrument - Global Europe).			
Budget lines			
BGUE-B2024-14.020160-R0-INTPA			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	128,576,200.35	147,765,527.31	38,765,527.31
<b>Budgetary payment appropriations</b>	100,297,519.92	109,000,000.00	38,765,527.31

Initial financial envelope:	EUR 125,500,000.00
Current financial envelope:	EUR 372,517,647.85
Overall financial envelope:	EUR 500,000,000.00

### General description

The ACP Trust fund was signed in March 2023 between the EC and the EIB and has EUR 500 million committed by the EC. These are reflows from the former ACP Facilities, after Council decision 2020/2233 in December 2020. The ACP Trust Fund - EU Compartment focus is on private sector operations in Eligible Countries characterised by high risk, expected to achieve high impact, such as equity, quasi equity, local currency lending, lending to fragile countries and co-financing with EFSD+ guarantees.

### Duration

The implementation period started in March 2023 and will last until 02/03/2043.

### Added value, final recipients and projects

The ACP Trust Fund - EU Compartment will focus on private sector operations in Eligible Countries characterised by high risk, expected to achieve high impact, such as equity, quasi equity, local currency lending, lending to fragile countries and co-financing with EFSD+ guarantees.

Currently, 6 operations have been concluded within the ACP Trust fund mandate:

Operation Name	Contract Amount (EUR)	Signature date	Project fact sheet
BOAD EQUITY INCREASE <sup>155</sup>	28,507,966.22	16/10/2023	<a href="https://www.eib.org/en/projects/pipelines/all/20220625">https://www.eib.org/en/projects/pipelines/all/20220625</a>
SEEDSTARS AFRICA VENTURES <sup>156</sup>	18,143,880.98	22/12/2023	<a href="https://www.eib.org/en/projects/pipelines/all/20220721">https://www.eib.org/en/projects/pipelines/all/20220721</a>
MADAGASCAR SUSTAINABLE AGRICULTURE <sup>157</sup>	20,000,000.00	17/07/2023	<a href="https://www.eib.org/en/projects/pipelines/all/20220466">https://www.eib.org/en/projects/pipelines/all/20220466</a>
UGANDA TELECOM TOWER EXPANSION <sup>158</sup>	14,479,638.01	30/12/2023	<a href="https://www.eib.org/en/projects/pipelines/all/20220268">https://www.eib.org/en/projects/pipelines/all/20220268</a>

<sup>155</sup> Direct operation.

<sup>156</sup> Indirect operation targeting 25 MSMEs.

<sup>157</sup> Direct operation.

<sup>158</sup> Direct operation.



Operation Name	Contract Amount (EUR)	Signature date	Project fact sheet
ACP GENDER FINANCE FACILITY - STANBIC ZIMBABWE <sup>159</sup>	20,000,000.00	10/12/2024	<a href="https://www.eib.org/en/projects/loans/all/20230133">https://www.eib.org/en/projects/loans/all/20230133</a>
IPAE III HIGH IMPACT FOR AFRICA FUND <sup>160</sup>	15,000,000.00	11/12/2024	<a href="https://www.eib.org/en/projects/loans/all/20240243">https://www.eib.org/en/projects/loans/all/20240243</a>
<b>TOTAL</b>	<b>116,131,485.21</b>		

## Financial institutions involved in implementation

European Investment Bank

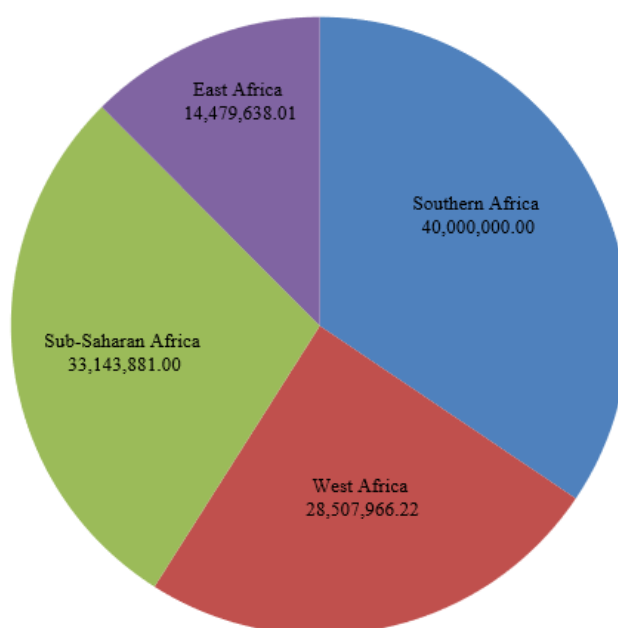
## Operational Performance

### Contribution to the achievement of the objectives of the programme

The overarching goals of the ACP Trust fund are in line with the European Union's strategic orientations, Global Gateway priorities and Global Gateway Adjustment plan. This includes Green Deal, and Jobs & inclusive Growth. It has been established to foster the sustainable economic, social and environmental development of ACP countries, with the primary aim of promoting growth and prosperity.

### Geographical diversification

Up to date, 6 operations are signed with detail by sub-regions as per graph below.



### Main issues for the implementation

The ACP Trust fund should demonstrate the added value of EU support, in terms of policy alignment and increased impact for private sector operations. It includes high risk, high impact operations that need to be carefully selected to meet the agreed conditions.

The EIB mandate manager confirmed a promising pipeline for the financial instruments window before the end of the MFF and a pipeline for the Technical Assistance window of this instrument.

<sup>159</sup> Indirect operation.

<sup>160</sup> Indirect equity investment (impact finance).

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	224,752,121.00	500,000,000.00
Leverage effect	0.52	5 to 7
Multiplier effect	1.55	5 to 7
Operations	6	N/A
Financing provided to final recipients	116,131,485.00	2.5 bn to 3.5 bn
Number of final recipients	28	N/A
Investments made by final recipients due to the received financing	348,394,455.00	2.5 bn to 3.5 bn

## Financial Information

Financial Information (EUR)	ACP Trust Fund (ACP TF)		
Type of instrument	Equity and Loans		
Year of inception	2023		
Implementing Partner	EIB		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		128,576,200.35	372,517,647.85
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		100,297,519.92	224,752,120.54
<b>Reflows</b>			
Revenues		0.00	0.00
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		0.00	0.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		369,595.00	538,337.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		0.00	27,082,568.00
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		364,279.00	364,279.00

Net treasury result (including interest) (gains (+) / losses (-))		4,357,261.00	6,231,758.00
Net FX gains (+) / losses (-)		2,021,825.00	1,739,019.00
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		89,062,500.00	53,886,488.00
Value of equity investments		4,292,084.00	1,307,302.00
<i>Investment at cost</i>		3,931,895.00	1,425,398.00
Value of loans		7,124,877.00	0.00
<i>Loans at cost</i>		9,500,000.00	0.00
Financial liabilities and provisions		192,007.08	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		171,856,539.00	77,623,664.00
<i>in euro</i>		135,338,373.00	59,488,856.00
<i>in non-euro currencies</i>		36,518,166.00	18,134,808.00
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

N/A

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

N/A

## 5.5 EU support to Ukrainian Micro, Small and Medium-Sized Enterprises (top-up)

### Description

Identification / Reference to the basic act			
Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility			
Budget lines			
16.060202			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	20,600,000.00	0.00	0.00
<b>Budgetary payment appropriations</b>	5,600,000.00	15,000,000.00	0.00

Initial financial envelope:	EUR 20,600,000.00
Current financial envelope:	EUR 20,600,000.00
Overall financial envelope:	EUR 20,600,000.00

### General description

Bank Gospodarstwa Krajowego (BGK) coordinates and oversees the provision of the guarantee mechanism for Kredobank and PrivatBank, in order to finance MSME customers for recovery of Ukraine's economy and serve as a basic or additional security in financing business.

The overall objective is the recovery of the Ukrainian economy by supporting rebuilding of Ukrainian businesses and companies damaged by the ongoing war. Credits supported within the financial instrument are offered through Kredobank and PrivatBank mainly to micro, small and medium-sized enterprises (MSMEs). Actions contribute to rebuilding the country's economy and continuity of the supply chains including abroad and restoration of jobs for people.

### Duration

156 months (13 years) from 12 August 2024 to 31 March 2038 (final date of implementation), end date of activities 27 August 2037.

### Added value, final recipients and projects

10 final recipients have received financing of EUR 1.84 m under EU/BGK coverage from the beginning of the instrument until 31 December 2024, out of them:

- 8 investment loans in the amount of EUR 0.99 m.
- 5 working capital loans in the amount of EUR 0.85 m.

Almost 57% of volume of all issued loans were for AGRO clients, other sectors include construction, manufacturing, trade.

### Financial institutions involved in implementation

BGK with two affiliated entities Kredobank and PrivatBank.

## Operational Performance

### Contribution to the achievement of the objectives of the programme

The financial instrument is implemented in a manner contributing to the priority areas of the Ukraine Investment Framework (UIF), its general and specific objectives, as well as the needs outlined in the Ukraine Plan adopted on 15 May 2024. BGK uses reasonable endeavours to procure that the financial instrument is implemented in a manner that:

- contributes towards the general and specific objectives of the Ukraine Facility;
- serves the implementation of the Ukraine Plan;
- crowds in/prioritises private sector funding and addresses market failures or sub-optimal investment situations;
- improves the quality, sustainability, impact or scale of the proposed investment;
- does not crowd out other public or private investments; and
- supports projects that have a higher risk profile than would otherwise be supported if this financial instrument were not in place.

### Geographical diversification

Loans in the amount of EUR 1,840,000 were provided in red zones within Ukraine, i.e. (zone of direct hostilities and 100 km from them or 50 km from borders of the Russian Federation, Republic of Belarus and Transnistria).

### Main issues for the implementation

Kredobank:

- The construction of an internal strategy for the distribution of loans between the two existing agreements concluded with BGK.
- The urgent implementation of Environmental and Social Standards when lending to AGRO clients within the framework of the state Program "Affordable Loans at 5-7-9%".

Privatbank:

- Development, approval and implementation of a completely new process for the Bank from the point of view of accounting, credit risk management and procedures for returning covered loans with risk sharing.
- Development of a scheme for the return of collected funds through an escrow account with all further accounting rules and the use of returned funds.
- Divergence of the approach to the definition of a group of related persons in the legislation of the EU and Ukraine.
- Inconsistency between the forms of accounting/financial reporting used in the EU and Ukraine regarding the data necessary for the correct definition of the client segment.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	5,600,000.00	20,600,000.00
Leverage effect	0.33	5.34
Multiplier effect	N/A	N/A
Operations	13	730
Financing provided to final recipients	1,840,000.00	110,000,000.00
Number of final recipients	10	440
Investments made by final recipients due to the received financing	N/A	N/A

## Financial Information

Financial Information (EUR)	EU support to Ukrainian Micro, Small and Medium-Sized Enterprises (top-up)		
Type of instrument	Guarantee, blending		
Year of inception	2024		
Implementing Partner	Bank Gospodarstwa Krajowego (BGK)		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		20,600,000.00	20,600,000.00
<i>of which from third countries</i>		0.00	0.00
<i>of which from reflows</i>		0.00	0.00
Budgetary payments		5,600,000.00	5,600,000.00
<b>Reflows</b>			
Revenues		0.00	0.00
Repayments		0.00	0.00
Total reflows entered into the budget, of which:		0.00	0.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		0.00	0.00
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		0.00	0.00
<b>Revenues</b>			

Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))		26,787.00	26,787.00
Net FX gains (+) / losses (-)		0.00	0.00
Other revenues		0.00	0.00
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		20,000,000.00	0.00
Value of equity investments		0.00	0.00
<i>Investment at cost</i>		0.00	0.00
Value of loans		0.00	0.00
<i>Loans at cost</i>		0.00	0.00
Financial liabilities and provisions		19,473,129.00	0.00
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		5,026,787.00	0.00
<i>in euro</i>		5,026,787.00	0.00
<i>in non-euro currencies</i>		0.00	0.00
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

N/A

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

N/A

## 6.1 Neighbourhood Investment Platform (NIP)

### Description

Identification / Reference to the basic act			
<p>Regulation (EC) No 1638/2006 of the European Parliament and of the Council of 24 October 2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument.</p> <p>Regulation (EU) No 232/2014 of the European Parliament and of the Council of 11 March 2014 establishing a European Neighbourhood Instrument.</p> <p>Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action.</p> <p>Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009.</p>			
Budget lines			
14.02011			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	38,720,148.81	N/A	N/A
<b>Budgetary payment appropriations</b>	10,774,087.63	N/A	N/A

Initial financial envelope <sup>161</sup> :	N/A
Current financial envelope:	N/A
Overall financial envelope:	N/A

### General description

The NIP blending facility is supporting investments from pillar-assessed financial institutions in the Neighbourhood South and the Neighbourhood East regions via technical assistance, investment grants, equity, or guarantees. Blending operations are aligned with EU priorities such as inclusive and sustainable growth and the green transition, and consistent with the national policies in the supported sectors.

Blended finance has a strong potential in terms of crowding-in, leveraging or catalysing additional financing, including from private and commercial sources. In selected sectors and countries, EU blending resources are deployed through existing or new financial instruments in order to leverage further resources that would otherwise not support development outcomes. Financial instruments, thus, increase the impact for sustainable development.

The Neighbourhood Investment Platform (NIP) combines resources from the EU budget and additional resources from EU Member States and uses them to leverage loans and other financial instruments from International Financial Institutions (IFIs), as well as contributions from partner countries and other investors, and/or beneficiaries.

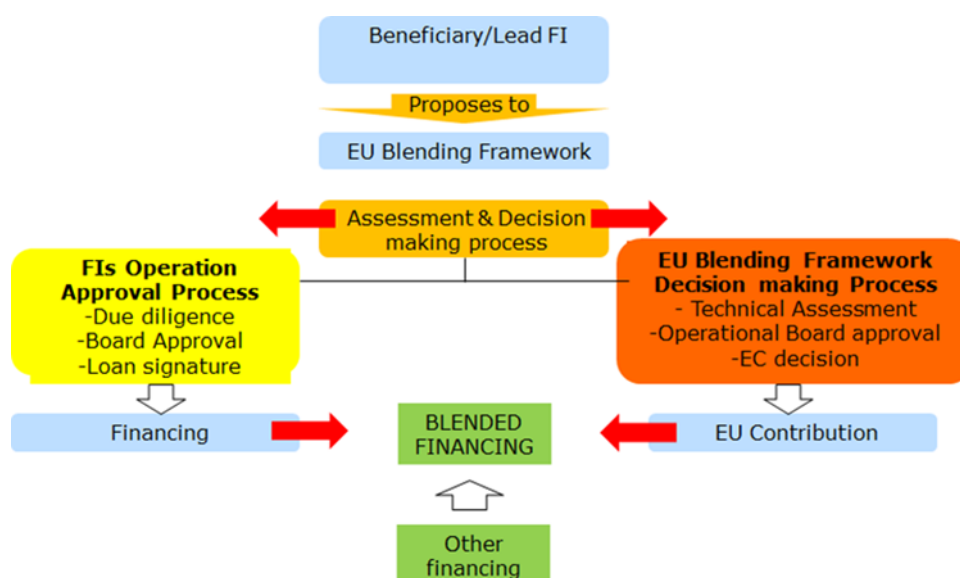
The NIP is part of the European Fund for Sustainable Development Plus (EFSD+) which constitutes an integrated financial package supplying financing capacity in the form of grants, technical assistance, financial instruments, budgetary guarantees and blending operations in the Neighbourhood, the Western Balkans and Türkiye, Sub-Saharan Africa, Asia and the Pacific and the Americas and the Caribbean. As set

<sup>161</sup> For the NIP there are no voted commitment appropriations at basic act or programming level specifically for financial instruments.



out in Article 32 of the NDICI – Global European Regulation, the Neighbourhood Investment Platform is one of the regional investment platforms under the EFSD+.

The NIP is characterised by open and transparent project selection and decision-making processes. The European Commission chairs the NIP Board, which constitutes of members from the European Commission, EU Member States and the European External Action Service as voting members, and Implementing Partners (IFIs), as observers. The NIP Secretariat, managed by DG NEAR<sup>162</sup>, is the entry point for grant requests and follows up the entire assessment and decision-making process from identification of the project until contracting. Implementing Partners interested in financing a NIP blending operation identify a project based on the partner country's priorities and in line with EU strategic priorities. This should be done in dialogue with the EU Delegation, Commission services in Brussels and local partners in that country. Only projects that have been identified as priorities and are part of the pipeline can be proposed for funding. For this purpose, a lead finance institution which is pillar-assessed submits the proposal and presents the project to the Technical Assessment Meeting, a group chaired by the Commission and including all eligible finance institutions. The projects which have been positively assessed are then presented to the NIP Board, which issues an opinion as to which projects will benefit from NIP funding.



The operations reported in the section entitled “key figures” are a limited sub-set of financial instruments in the form of equity or bank guarantees, which require opening a fiduciary account on behalf of the European Commission by a partner institution. The other operations undertaken within the framework of NIP (e.g. providing TA or investment grants) are not included in the financial overview. They are, however, included in the narrative.

## Duration

The NIP blending facility is operational since 2008.

## Added value, final recipients and projects

Overall, the NIP has demonstrated to be a successful aid modality throughout its existence. It has fully delivered on its objectives by supporting the development of a favourable environment for investments by creating markets, setting up demonstration projects in specific sectors such as for instance (renewable) energy and environment, and enhancing access to finance for underserved areas and vulnerable groups.

<sup>162</sup> As of February 2025, the NIP Secretariat is managed by DG ENEST still covering the Middle East and North Africa (which are under the remit of DG MENA) as regards the approval process for blending operations.

Thanks to the leverage effect, it has strengthened the impact of EU funding compared to previous years, which would be difficult to achieve without the NIP. In addition to the financial leverage, the NIP has also given projects considerable qualitative leverage. These benefits are both socio-economic and environmental and thus not always easily measurable in financial terms. For instance, technical assistance grants have improved the project design and enhanced the management and quality of projects (e.g. through capacity building). For support to MSME projects, technical assistance has been used to address market gaps and inefficiencies on both the supply and demand sides. Local financial intermediaries have learned how to tailor their products and communication to the specific needs of the MSME market, and potential borrowers have increased their capacity in preparing bankable projects and reinforce business linkages. This support has enhanced the development impact of projects and ensured the achievement of sustainable results.

Since 2014 allocations to the NIP from the EU budget have reached a total of EUR 3.52 billion, of which approximately EUR 1.36 billion for projects in the Neighbourhood East and EUR 2.16 billion for the Neighbourhood South. This has enabled the launching of over 216 projects with NIP support, including 103 in the Eastern Neighbourhood and 113 in the Southern Neighbourhood. The NIP has succeeded in mobilising approximately EUR 30 billion of financing from European and International Financial Institutions since 2014, implying an average leverage ratio of 8.5 times for every euro provided by the NIP. Additional amounts have been mobilised from other public and private co-investors reaching a total mobilisation (i.e. total project cost) of EUR 43.25 billion.<sup>163</sup>

### **Financial institutions involved in implementation**

In principle, any pillar-assessed Financial Institution can submit a project proposal to be supported by the NIP. Since 2008, the following financial institutions benefitted from NIP support: EBRD, EIB, KfW, AFD, Proparco, CEB, BGK and NEFCO.

## **Operational Performance**

### **Contribution to the achievement of the objectives of the programme**

The NIP has enabled the EU to meet some of the key objectives in terms of sustainable economic development in Europe's neighbouring countries. It has mobilised public and private resources for an enhanced development impact in areas such as private sector development, waste, energy, environment, water and sanitation, education, transport, social inclusion and agriculture.

For instance, since 2016, the Women in Business programme implemented by EBRD in the Neighbourhood East empowers women-led SMEs by improving their access to finance and business expertise. The EU contributed to several phases of the programme through technical assistance, investment grants and financial instrument contributions. The financial instrument takes the form of a First Loss Risk Cover, designed to cover potential losses from Partner Finance Institutions resulting from defaulting women-led MSME clients. The objective is to incentivise local banks in partner countries to lend to a segment often perceived as risky. In practice, the First Loss Risk Cover covers up to 10% of the portfolio, whereas each defaulting sub-loan is covered up to 70% of its value to ensure skin in the game of all stakeholders. Since 2016, EBRD leveraged a First Loss Risk Cover of EUR 8.7 million into 20 credit lines worth EUR 113 million across 13 financial institutions in Armenia, Georgia, Moldova, Ukraine and Azerbaijan facilitating 8,500 sub-loans worth EUR 197 million, leveraging additional financing from partner financial institutions. Beyond financing, the Women in Business programme supported over 600 SMEs with advisory services or trained 1,300 women. As a result, more than half of participating businesses increased employment, creating 3,400 new jobs, while 79% reported higher turnover. Despite challenges such as the war in Ukraine, the programme continued to

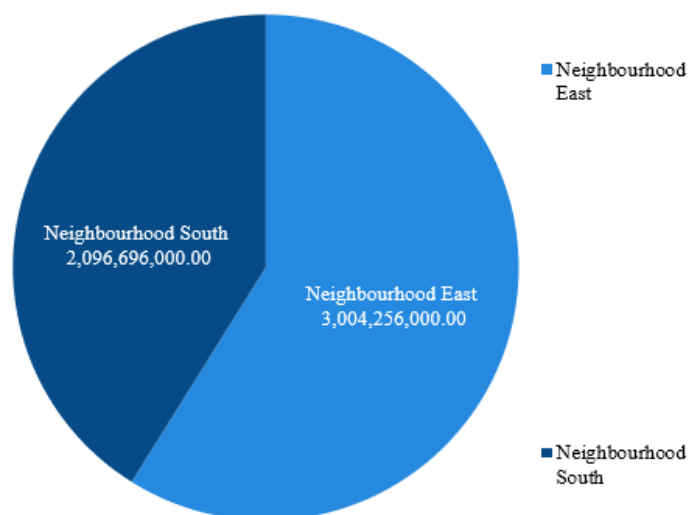
<sup>163</sup> The figures referred to in this paragraph refer to approved NIP projects as a whole and not only the financial instruments. It should also be noted that since the beginning of 2024, new bilateral blending projects for Ukraine are no longer covered under the NIP but under the Ukraine Investment Framework. Ukraine can still benefit from regional projects where relevant.

drive gender-inclusive financial solutions, fostering economic growth and strengthening women's role in business.

Furthermore, the NIP has been supporting key projects to promote the transition to a low carbon energy system in the Neighbourhood South. For instance, the “ELMED Plus Power Interconnection” programme in Tunisia aims at developing cross-border trade of green electricity between the EU and Tunisia. The ELMED Plus project will include a 200 km submarine interconnection cable between Italy and Tunisia, two convertor stations, one on each side of the Mediterranean Sea, as well as associated national grid enforcement in Tunisia. This project will enhance the deployment of renewable energy both in Europe and in Tunisia. In addition, the ELMED Plus project will improve the quality of the electricity delivered with less interruptions in Tunisia, which could reduce social tensions and promote economic development. The EU is supporting this strategic project through a NIP grant and the Connecting Europe Facility. The NIP grant is financing the technical supervision of the design and construction of the project, the creation of a new national dispatch centre and supporting the policy dialogue in the Tunisian energy sector.

### Geographical diversification

The total investments (EUR) mobilised by the reported EU financial instruments are geographically divided as follows:



### Main issues for the implementation

The Neighbourhood Investment Platform faces challenges at different stages of its implementation. First, the reduction of resources available under the NIP, reflecting to a large extent the shift towards a greater use of budgetary guarantees under the EFSD+, makes the selection of projects under the NIP stricter. Therefore, a rigorous prioritisation of the various projects proposed by implementing partners is required. For this purpose, the EU is paying particular attention to the additionality of grant requests, in order to provide funding where it is really needed.

The NIP Secretariat and geographical colleagues ensure that selected projects are fully aligned with EU priorities within the framework of Global Gateway and in particular the priorities of the Reform and Growth Facility for the Western Balkans, the Growth Plan for Moldova and the Resilience and Growth Plan for Armenia, as well as the Strategic and Comprehensive Partnerships for the Neighbourhood South. Against this background, close coordination with the EU delegations and local partners is necessary at each stage of the project. Efforts to enhance cooperation with EU delegations and Commission services in headquarters from the preliminary stage of the proposal have been made by Financial Institutions and could be further enhanced going forward.

An assessment is also carried out on the basis of the additionality that the EU contribution will bring in terms of benefits and results, notably as regards development impact, in comparison to what would have been achieved without the EU contribution. The additionality varies depending on the context and is driven by

country, sector, market and project characteristics. In particular, the “financial additionality” assessment involves quantitative considerations of the cost-effectiveness, efficacy and efficiency of the EU contribution for the achievement of relevant policy objectives, and notably for maximising the positive impact on the ultimate beneficiaries. The “development additionality” takes into consideration, the capacity of the programme to contribute towards results that are not easily quantifiable, such as for instance the introduction or increase in the quantity and quality of services available in the targeted market.

In addition, visibility of projects funded under the NIP could be further enhanced by the EU and Financial Institutions, in order to mobilise further (private) investments and highlight the positive impact of EU funding. Last but not least, some outreach is being done to EU companies to ensure that they are aware of procurement opportunities for NIP projects in their sector.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	662,995,639.16	N/A
Leverage effect	4.12	N/A
Multiplier effect	7.69	N/A
Operations	N/A	N/A
Financing provided to final recipients	2,731,925,000.00	N/A
Number of final recipients	N/A	N/A
Investments made by final recipients due to the received financing	5,100,952,000.00	N/A

## Financial Information

Financial Information (EUR)	Neighbourhood Investment Platform		
Type of instrument	Guarantee, Equity, Blending		
Year of inception	2009		
Implementing Partner	EBRD, EIB, KfW and BGK		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		38,720,148.81	662,995,639.16
Budgetary payments		10,774,087.63	493,860,027.31
<b>Reflows</b>	<b>(1)</b>		
Total reflows entered into the budget, of which:		4,756,083.00	4,756,083.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		4,756,083.00	4,756,083.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		2,805,600.30	7,488,560.40
Guarantee calls recovered		252,613.05	852,113.49
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		781,515.11	8,170,690.33

Incentive fees		0.00	2,954,394.00
Treasury management fees		0.00	125,000.00
Other charges		3,955,028.58	22,862,995.80
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		-166,854.00	1,697,390.29
Net treasury result (including interest) (gains (+) / losses (-))		3,624,073.12	5,693,597.62
Net FX gains (+) / losses (-)		1,852,571.60	3,468,879.42
Other revenues		9,740.00	3,586,158.09
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		385,788,503.19	349,092,325.81
Value of equity investments		284,036,749.94	257,753,563.98
Value of loans		0.00	0.00
Financial liabilities and provisions		36,578,164.41	13,721,029.62
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		104,965,925.34	109,783,739.49
Other financial assets (including short term deposits >3months)		4,070,086.00	6,610,496.00

### Notes to the financial information

- (1) Outstanding balance of EUR 4,756,083.00 for the financial instrument component of the project “NIP Women in Business (EBRD)” have been recovered in 2024 and returned to be used. The project will be closed in 2025.

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

N/A

## Financial information per implementing partner and instrument

EUR

Implementing Partner			EBRD	EIB	KfW	BGK	TOTAL
Budgetary commitments		2024	-	22,708,197.00	16,011,951.81	-	<b>38,720,148.81</b>
		Aggregated	110,981,000.00	243,154,197.00	298,660,442.16	10,200,000.00	<b>662,995,639.16</b>
Budgetary payments		2024	1,925,000.00	4,407,174.54	4,441,913.09	-	<b>10,774,087.63</b>
		Aggregated	92,164,000.00	121,001,541.82	275,494,485.49	5,200,000.00	<b>493,860,027.31</b>
Amounts committed by the Implementing Partner	Grants (including TA)	2024	-	-	-	-	-
		Aggregated	-	-	-	-	-
	Financial instruments	2024	N/A	N/A	N/A	N/A	-
		Aggregated	1,049,400,000.00	1,136,000,000.00	546,525,000.00	-	<b>2,731,925,000.00</b>
	Own resources	2024	N/A	N/A	N/A	N/A	-
		Aggregated	N/A	N/A	N/A	N/A	-
Administrative expenditure	Management fees	2024	173,578.85	271,595.29	304,203.97	32,137.00	<b>781,515.11</b>
		Aggregated	4,411,478.21	3,935,610.51	2,856,578.61	46,417.00	<b>11,250,084.33</b>
	Other charges	2024	477,771.31	7,200.00	3,470,057.27	-	<b>3,955,028.58</b>
		Aggregated	13,171,539.24	2,179,643.88	7,511,812.68	-	<b>22,862,995.80</b>
	Total	2024	651,350.16	278,795.29	3,774,261.24	32,137.00	<b>4,736,543.69</b>
		Aggregated	17,583,017.45	6,115,254.39	10,368,391.29	46,417.00	<b>34,113,080.13</b>

Financial Information (EUR)	EFSE - EU4Business; Local Currency Lending to SMEs in the Eastern Partnership		EU4Business Guarantee Facility (previously EIB DCFTA PHASE II)		EU4Business - the EU Local Currency Partnership Initiative: The European Fund for Southeast Europe (KfW)		European Fund for Southeast Europe (KfW)		EU Trade and Competitiveness Programme for Egypt and Jordan (EBRD)		Green for Growth Fund - Extension to Neighbourhood East II (for Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine)		Green for Growth Fund (GGF) - COVID 19- RESPONSE in the Southern Neighbourhood (NIP GGF C-shares Southern Neighbourhood)	
Type of instrument	Blending		Blending		Blending		Blending		Blending		Blending		Blending	
Year of inception	2019		2016		2018		2009		2019		2019		2019	
Implementing Partner	KfW		EIB		KfW		KfW		EBRD		KfW		KfW	
	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>														
Budgetary commitments	0.00	39,921,000.00	0.00	41,550,000.00	0.00	50,320,000.00	0.00	5,100,000.00	0.00	25,720,000.00	0.00	11,320,000.00	0.00	43,600,000.00
Budgetary payments	1,770,000.00	36,771,000.00	0.00	1,117,000.00	60,000.00	49,460,000.00	0.00	5,100,000.00	0.00	13,180,000.00	60,000.00	10,460,000.00	20,000.00	43,230,000.00
<b>Reflows</b>														
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>														
<b>Guarantees</b>	0.00													
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>														
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>														
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>														
Administrative fees	30,000.00	299,999.00	88,000.00	132,000.00	60,000.00	460,000.70	0.00	100,000.00	16,035.00	96,472.48	60,000.00	460,000.00	20,000.00	180,000.00
Incentive fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	2,226,587.37	3,503,688.78	0.00	0.00	-58,251.00	219,890.91	0.00	0.00	0.00	0.00	0.00	0.00	914,826.00	1,423,159.00
<b>Revenues</b>														
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	0.00	-0.93	1,876.00	1,876.00	0.00	-0.59	0.00	-322,651.00	9,288.00	71,480.26	0.00	0.00	0.00	0.00
Net FX gains (+) / losses (-)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,719.00	32,738.95	0.00	0.00	0.00	0.00
Other revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>														
Maximum financial risk exposure	35,227,017.16	34,035,891.08	10,750,000.00	0.00	64,270,470.68	62,566,966.92	4,998,748.45	4,847,587.07	3,640,886.12	4,141,021.60	2,988,420.80	1,163,931.20	20,102,096.00	18,916,088.00
Value of equity investments	35,227,017.16	34,035,891.08	0.00	0.00	64,270,470.68	62,566,966.92	4,998,748.45	4,847,587.07	3,807,599.80	4,322,904.12	2,988,420.80	1,163,931.20	20,102,096.00	18,916,088.00
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	0.00	10,750,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>														
Balance in the fiduciary bank account (including short term deposits <3months)	0.00	0.00	1,943.00	17,000.00	0.00	0.00	0.00	0.00	310,373.61	308,373.75	0.00	0.00	0.00	0.00
Other financial assets (including short term deposits >3months)	0.00	0.00	16,933.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Financial Information (EUR)	Green for Growth Funds L-Shares Georgia (10 MEUR)		Green for Growth Fund to the Eastern Neighbourhood Region (EIB)		MENA Fund for Micro, Small and Medium Enterprises III SANAD		NIP Armenia SME Finance and Advice Facility (EBRD)		NIP Deep and Comprehensive Free Trade Area (DCFTA) Facility (EBRD) EAST (MOL-GEO-UKR)		NIP Deep and Comprehensive Free Trade Area (DCFTA) Facility (EIB) EAST		NIP Eastern Partnership SME Finance Facility Phase II (KfW)	
Type of instrument	Blending		Blending		Blending		Blending		Blending		Blending		Blending	
Year of inception	2019		2019		2019		2018		2016		2018		2016	
Implementing Partner	KfW		EIB		KfW		EBRD		EBRD		EIB		KfW	
	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>														
Budgetary commitments	0.00	43,250,000.00	0.00	13,350,000.00	-3,048.19	23,486,951.81	0.00	15,380,000.00	0.00	19,430,000.00	0.00	62,746,000.00	0.00	5,200,000.00
Budgetary payments	20,000.00	42,830,000.00	0.00	13,350,000.00	61,617.97	23,064,993.58	0.00	15,380,000.00	0.00	19,430,000.00	0.00	60,838,546.00	2,430,295.12	4,371,001.56
<b>Reflows</b>														
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>														
<b>Guarantees</b>														
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	485,331.05	5,147,647.15	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	252,613.05	845,688.49	0.00	0.00
<b>Equities</b>														
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>														
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>														
Administrative fees	20,000.00	280,000.00	0.00	0.00	61,617.97	510,254.00	17,634.69	132,116.71	0.00	360,000.00	95,595.29	2,657,610.51	15,000.00	117,500.00
Incentive fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,954,394.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	847,717.00	1,343,550.00	0.00	2,119,605.31	0.00	0.00	0.00	0.00	0.00	12,319,672.98	3,600.00	27,619.57	0.00	99,020.50
<b>Revenues</b>														
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-166,854.00	1,697,390.29	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	0.00	0.00	0.00	-28,518.69	0.00	0.00	175,451.95	503,934.80	109,691.00	-46,034.15	1,494,100.00	2,413,975.50	5,227.50	4,902.39
Net FX gains (+) / losses (-)	0.00	0.00	0.00	0.00	0.00	427,979.26	345,828.34	331,196.78	0.00	0.00	425,860.06	307,087.39	0.00	0.00
Other revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	522.47	0.00	3,554,203.62	0.00	15,065.00	0.00	0.00
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>														
Maximum financial risk exposure	30,422,024.00	26,576,070.00	4,319,096.00	2,188,746.00	19,407,791.39	18,212,256.50	4,147,226.81	5,827,395.95	0.00	0.00	45,921,617.90	48,066,893.90	125,186.42	829,260.54
Value of equity investments	30,422,024.00	26,576,070.00	4,319,096.00	2,188,746.00	19,407,791.39	18,212,256.50	0.00	0.00	0.00	0.00	255,822.90	600,784.90	0.00	0.00
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,418,144.00	1,126,932.00	125,186.28	829,260.86
<b>Assets under treasury management</b>														
Balance in the fiduciary bank account (including short term deposits <3months)	0.00	0.00	0.00	0.00	0.00	0.00	4,811,034.97	6,280,775.15	3,349,382.22	3,238,480.22	48,603,615.49	47,417,159.74	6,143.79	916.60
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,366,361.00	2,307,656.00	0.00	0.00



Financial Information (EUR)	NIP EU Trade and Comp. Prog. in Morocco, Tunisia, Egypt & Jordan EIB		NIP Risk Capital Facility for Southern Neighbourhood countries (EIB)		NIP SEMED MSME Financial Inclusion Programme (EBRD) SOUTH		NIP Women in Business (EBRD)		NIP MENA Fund for Micro, Small and Medium Enterprises COVID-19 top- up		Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD) II (KfW)		Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD) (KfW)	
Type of instrument	Blending		Blending		Blending		Blending		Blending		Blending		Blending	
Year of inception	2019		2019		2019		2015		2019		2018		2020	
Implementing Partner	EIB		EIB		EBRD		EBRD		KfW		KfW		KfW	
	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>														
Budgetary commitments	0.00	51,900,000.00	0.00	50,900,000.00	0.00	27,640,000.00	0.00	5,035,000.00	0.00	29,807,490.35	0.00	20,400,000.00	0.00	10,240,000.00
Budgetary payments	4,407,174.54	9,935,495.82	0.00	35,760,500.00	0.00	27,640,000.00	0.00	5,035,000.00	20,000.00	29,567,490.35	0.00	20,400,000.00	0.00	10,240,000.00
<b>Reflows</b>														
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	0.00	4,756,083.00	4,756,083.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	4,756,083.00	4,756,083.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>														
<b>Guarantees</b>														
Guarantees called	0.00	0.00	0.00	0.00	2,320,269.25	2,320,269.25	0.00	20,644.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,425.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>														
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>														
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>														
Administrative fees	88,000.00	396,000.00	0.00	625,000.00	0.00	500,000.00	0.00	200,000.00	10,000.00	170,000.46	27,586.00	222,986.42	0.00	55,838.03
Incentive fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	125,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	0.00	9,740.00	3,600.00	22,679.00	0.00	158.00	0.00	56,935.00	-460,822.10	-21,658.48	0.00	0.00	0.00	944,161.97
<b>Revenues</b>														
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	0.00	0.00	311,269.00	927,616.09	832,569.00	853,132.00	69,193.00	423,033.74	0.00	0.08	1,009.85	18,829.95	101,439.94	225,080.81
Net FX gains (+) / losses (-)	0.00	0.00	334,793.18	1,420,389.09	-54,442.00	-300,623.00	82,255.00	110,145.77	135,022.20	511,223.53	1,206.36	67,146.19	520,403.00	520,403.00
Other revenues	9,740.00	9,740.00	0.00	0.00	0.00	228.00	0.00	6,399.00	0.00	0.00	0.00	0.00	0.00	0.00
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>														
Maximum financial risk exposure	8,000,000.00	8,000,000.00	48,873,858.82	44,645,291.57	4,841,033.70	9,449,753.96	0.00	0.00	28,697,770.09	26,414,470.77	18,746,549.31	16,932,629.78	6,927,721.54	5,916,946.07
Value of equity investments	0.00	0.00	43,865,621.82	35,058,291.57	0.00	0.00	0.00	0.00	28,697,770.09	26,414,470.77	18,746,549.31	16,932,629.78	6,927,721.54	5,916,946.07
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	0.00	0.00	0.00	60,171.44	2,528,841.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>														
Balance in the fiduciary bank account (including short term deposits <3months)	0.00	0.00	5,194,007.00	5,714,289.00	23,532,805.97	25,020,505.31	0.00	4,617,636.42	400,137.30	376,200.91	20,579.07	18,362.93	2,815,961.92	2,714,521.49
Other financial assets (including short term deposits >3months)	0.00	0.00	686,792.00	4,302,840.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Financial Information (EUR)	NIP Women in Business in EaP Phase II		EU-EBRD Local currency		EU Support for Ukrainian MSMEs		Financial Inclusion Programme West Bank and Gaza Strip		Palestine Financial Sustainability Initiative Part 1		Social Entrepreneurship Fund (SEF)	
Type of instrument	Blending		Blending		Blending		Blending		Blending		Blending	
Year of inception	2021		2021		2022		2023		2024		2024	
Implementing Partner	EBRD		EBRD		BGK		EBRD		EIB		KfW	
	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>												
Budgetary commitments	0.00	8,440,000.00	0.00	6,216,000.00	0.00	10,200,000.00	0.00	3,120,000.00	22,708,197.00	22,708,197.00	16,015,000.00	16,015,000.00
Budgetary payments	0.00	3,374,000.00	0.00	6,200,000.00	0.00	5,200,000.00	1,925,000.00	1,925,000.00	0.00	0.00	0.00	0.00
<b>Reflows</b>												
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
to the general budget	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
returned to be used	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>												
<b>Guarantees</b>												
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>												
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>												
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>												
Administrative fees	98,111.22	126,697.08	0.00	0.00	32,137.00	46,417.00	41,797.94	41,797.94	0.00	0.00	0.00	0.00
Incentive fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	477,771.31	794,773.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Revenues</b>												
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	87,703.00	145,234.36	212,036.88	212,049.00	184,205.00	260,645.00	29,013.00	29,013.00	0.00	0.00	0.00	0.00
Net FX gains (+) / losses (-)	-937.54	-671.54	0.00	0.00	0.00	0.00	41,864.00	41,864.00	0.00	0.00	0.00	0.00
Other revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>												
Maximum financial risk exposure	1,931,993.00	361,124.90	0.00	0.00	20,000,000.00	10,000,000.00	1,448,995.00	0.00	0.00	0.00	0.00	0.00
Value of equity investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	7,554.47	5,226.60	0.00	0.00	20,000,000.00	9,230,769.00	217,108.22	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>												
Balance in the fiduciary bank account (including short term deposits <3months)	2,513,092.00	2,783,065.85	6,236,049.00	6,200,012.12	5,260,645.00	5,076,440.00	1,910,155.00	0.00	0.00	0.00	0.00	0.00
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## 6.2 Investment Facility for Central Asia (IFCA) & Asian Investment Facility (AIF) & Asia Pacific Investment Facility (APIF)

### Description

Identification / Reference to the basic act			
Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation, (OJ L 378, 27.12.2006, p. 41)			
Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020, (OJ L 77, 15.04.2014, p. 44)			
Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action, (OJ L 77, 15.04.2014, p. 95).			
Regulation (EU) No 947/2021 of the European Parliament and of the Council of 9 June 2021 establishing the NDICI (Neighbourhood, Development and International Cooperation Instrument - Global Europe)			
Budget lines			
14.029902.01 (previously 14.020130, 14.020131, 14.020132)			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	5,028,000.00	50,500,000.00	45,000,000.00
<b>Budgetary payment appropriations</b>	3,593,400.86	50,000,000.00	70,000,000.00

Initial financial envelope:	EUR 50,000,000.00
Current financial envelope:	EUR 735,000,000.00
Overall financial envelope:	EUR 1,030,000,000.00

### General description:

The main purpose of these three blending facilities is to promote additional investments with a focus on climate change relevant and "green" investments in the areas of energy, environment, and transport. In addition, the facilities may help to improve access to finance for SMEs and to promote social sector investments.

The facilities include different forms of assistance and is composed of operations that can take the form of technical assistance, investment grant, equity or guarantee.

#### Investment Facility for Central Asia (IFCA)

Since its creation in 2010 till the end of 2021, more than EUR 250 million have been allocated to this investment facility, out of which EUR 165 million under the 2014 – 2020 DCI. This amount has been fully absorbed in support of 38 investment projects which are expected to catalyse investments worth EUR 2.5 billion.

#### Asian Investment Facility (AIF)

The facility has benefitted under the 2014-2020 period from DCI allocations of nearly EUR 485 million by the end of 2021. Since 2014, the AIF board has approved 50 projects for total contributions of EUR 453 million.

Main sectors of support were environment and climate change, urban development, energy and agriculture.

#### Asia Pacific Investment Facility (APIF)

In line with the objectives of the Regional Indicative Programme 2021-2027 for Asia-Pacific, the APIF's main objective is the promotion of SDG-related investments through leveraging additional investments in

key infrastructure with a priority focus on climate change-relevant and green investments in environment, energy, sustainable urban development, transport and social infrastructure as well as in SME development. Other priority areas, such as gender equality, digitalisation and COVID-related support are also envisaged by APIF.

Amount: EUR 295,472,500 for 2021-2023

Expected leverage: 22

Number of projects (essentially technical assistance, and grants, but also one Financial Instrument) already approved by the APIF board: 11

### **Financial institutions involved in implementation**

Individual projects financed under IFCA and AIF are implemented through indirect management mode. This means that the Commission delegates budget implementation tasks to eligible Financial Institutions, which have successfully undergone an ex-ante pillar assessment in accordance with the Financial Regulation.

Budget implementation tasks consist of the launch of public procurement and grant award procedures and of concluding and managing the resulting contracts as well as execution of payments. The entrusted Member State agency or international organisation also monitor and evaluate the project and report on it.

The main IFCA partner has been EBRD which, during the 2014-2020 period, supported 14 projects totalling EUR 118 million, followed by AFD, EIB and KfW. However, the Commission is reaching out to other partners, including private sector arms of European development financial institutions such as, for example, the French PROPARCO.

AFD is the first recipient of AIF, followed by KfW and ADB, then EBRD, EIB and FMO (in terms of volume of funds managed).

### **Operational Performance**

The following two sections, Operational Performance and Financial Information, present the implementation, in figures, of the 8 financial instruments of the facilities IFCA, AIF and APIF, which take form of equity or bank guarantees and required opening a fiduciary account on behalf of the European Commission by a partner institution.

### **Financial instruments implemented under the facilities**

#### **1. Microfinance Initiative for Asia Debt Fund (MIFA)**

The basic objective of the MIFA Debt Fund is the support of micro and small enterprises (MSEs) and low-income households (private sector development) and offer a flexible range of market based financial instruments to sound microfinance institutions (MFIs) in the region enabling them to provide MSEs and low-income households with appropriate financial products.

The EU contribution of EUR 7.2 million is dedicated to the support of micro and small enterprises (MSEs) and low-income households (private sector development) and to offer a flexible range of market based financial instruments to sound microfinance institutions (MFIs) in the region enabling them to provide MSEs and low-income households with appropriate financial products. The financial instrument has been running since December 2012, when the Delegation Agreement with KfW was signed and the contract end date of activities is the 31/12/2026.

The MSE sector provides a significant contribution to economic development in Asia. MSEs make up for about 90% of all companies in most Asian economies and contribute to a large part of national GDP. MSEs are particularly important for job creation and employment and are also drivers of innovation and growth in particular in rural areas. MFI clients are to a significant extent involved in setting up MSEs.

At the end of December 2024, the loan portfolio of MIFA encompassed USD 127.5 million across ten countries. During Q4 2024, the Fund disbursed one loan for a total amount of USD 0.5 million. East Asia and the Pacific remains the largest region (39.39%), followed by South Asia (36.53%) and Central Asia (24.08%).

## 2. Support for Mongolian Economic Diversification through SME

The Programme targets micro, small and medium-sized companies in a variety of industries, excluding the extractive industries. It covers all 21 provinces of Mongolia and aims to increase financing for rural SMEs. It improves and increases the access of SMEs to finance through loans to Mongolian commercial banks for on-lending to SMEs.

The initial EUR 9,670,400 (including fees) AIF contribution to the Programme signed in December 2015 (Agreement No DCI-ASIE/2015/370-485) was replenished by EUR 2,140,000 (including fees) in December 2018 (Addendum 1, ACA/2018/400-633). The total EUR 11,810,400 of the AIF funding, which consists of the Autonomous Technical Assistance (“TA”) of up to EUR 7,610,400 and the Risk Sharing and Guarantees of up to EUR 4,200,000, supports four different types of EBRD activities (“Instruments”), in particular:

- indirect financing to SMEs via credit lines to partner financial institutions (“PFIs”) for on-lending to mostly micro and small-sized companies (Instrument 1);
- risk sharing/co-financing with PFIs on their loans to SMEs and EBRD’s tailored direct finance to SMEs (Instrument 2);
- business advice to MSMEs (Instrument 3);
- policy dialogue to improve the business environment and domestic financial intermediation, to develop new financial products and to strengthen business associations (Instrument 4).

Since the start of the implementation, the Programme has led to EUR 102.9 million of financing to local SMEs. The leverage ratio achieved is 11 to 1, which is the result of EUR 102.9 million of financing to SMEs via Instruments 1 and 2 divided by the EU contribution of EUR 10.2 million.

Particularly, under Instrument 1 by end-2022, the EBRD signed 14 MSME-related operations with five local PFIs for a total amount of USD 105.4 million (EUR 98.7 million equivalent). As all funds under this instrument were utilised by end of 2022, no new activities took place in 2023-2024.

Under Instrument 2, the availability of the guarantee has brought about EUR 4.2 million of new lending from EBRD to local SMEs, extended in co-financing with two Mongolian banks, namely XacBank and Khan Bank. The FLRC (first loss risk cost) has so far led to longer-term financing for three SMEs (four loans) in tandem with local banks and to improving the risk/reward profiles of the loans. The expected results after 10 years, however, is to have at least 15 loans to SMEs benefiting from the guarantee cover. No new investments were signed with the support of the EU’s FLRC guarantee in 2023-2024. Considering that three loans are by now repaid and the other one is successfully being repaid, the current committed guarantee amounts to EUR 102,102, leaving approximately EUR 3.9 million available for new loans. The EBRD’s SME investments in Mongolia were generally rather low in the last few years, as SMEs in the country are still recovering from the spill-over effects from Covid-19 and the sanctions on Russia. For this reason, EBRD is exploring with the EU the possibility to reallocate part of the funding set out for guarantees towards financial incentives.

Under Instrument 3, to date, more than 320 small and medium-sized enterprises outside of extractive industries have received business advice in organisational management, marketing and sales, production enhancement, cost reduction and improvement of financial reporting. The SMEs that benefited from such support have created more than 3,000 new jobs. No new activities were undertaken under Instrument 3 in 2024 since the allocation for it was utilised by end of 2022.

Under Instrument 4, a legal assistance project implemented by the IDLO and titled “Strengthening Commercial Mediation in Mongolia” had been launched in 2023. It offers out-of-court dispute resolution,

which is quicker, cheaper, and more tailored than what can be achieved through courts and has benefits for the court system.

### 3. The SME Finance Facility for Central Asia – Phase 2

The Action aims to provide long-term support to SMEs in Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan, through the deployment of a programme integrating finance and advice. The programme helps companies to grow, invest more in production and trading capacities, and become more competitive in a sustainable way.

The SME Finance Facility for Central Asia – Phase 2 was signed with EBRD in December 2017 as a successor programme to the “SME Finance Facility for Central Asia”. While the Action has the same purpose of increasing access to finance for small and medium-sized enterprises (SMEs) in the region as the predecessor programme, it excludes indirect financing via partner financial institutions (PFIs) and concentrates on direct financing of SMEs in combination with business advice. The objectives of the Action include the following:

- Increasing the amount of direct financing to SMEs in the region.
- Expanding the limited availability of long-term, tailor-made funding to SMEs, with the involvement of a meaningful number of PFIs.
- Developing SMEs’ capacity to improve competitiveness, access financing and grow through provision of business advice.

The EU’s total contribution to the Action is split between the Technical Assistance (“TA”) of EUR 3.5 million and the first loss guarantee (the “First Loss Guarantee”) of EUR 4 million. Remuneration, evaluation, and communication costs amount to EUR 0.350 million. The EU has transferred EUR 7.79 million (inclusive of the EUR 350,000 management fee), of which the EBRD has disbursed 89 per cent of the Technical Assistance and legally committed 38 per cent of the First Loss Guarantee.

As of end-2024, the Action has brought about EUR 21.9 million of EBRD direct finance in 19 investment projects with 18 SMEs in all the five eligible countries in the region. Six of the investments have been made in tandem with local PFIs via the EBRD’s trademark Risk Sharing Framework (“RSF”). The EBRD had active RSF partnerships with ten PFIs in the countries in question, except Turkmenistan. With EUR 3.15 million of co-financing from PFIs, the leverage effect reaches 4.3<sup>164</sup>.

The financing, with an average maturity of 4.6 years, is for working capital needs and/or capital expenditures to increase the scope of operations and to achieve a smooth functioning of the businesses. Fourteen SMEs have now repaid the loans, two projects have been cancelled, which has freed the committed amount of the First Loss Guarantee. The decommitted amount will be used for new financings until the end of the implementation period of the Action.

The Action has assisted 163 local companies with their capital expenditure decisions and/or in improving management, market performance and automation, - the expertise that the SMEs would not have been able to obtain or afford otherwise. It has created 1,640 jobs. Overall, 38 per cent of clients that received business advice could access financing from the EBRD and/or PFIs.

### 4. AGRIFI Country Window for Sri Lanka

EDFI (European Development Finance Institutions) AgriFI Sri Lanka Country Window (EUR 8 million from the DCI; Dec 2021-Dec 2035) is part of the global AgriFI facility launched in 2018 composed of different country and regional windows representing a total budget of EUR 120 million. It is fully financed by the EU,

<sup>164</sup> The leverage is calculated as total amount of the Action (minus remuneration and communication costs) divided by the total amount of EU contribution costs without remuneration and communication costs. The target leverage effect at end of the Action is 6.62.



contracted between the EU and FMO and managed by the EDFI Management Company (EDFI MC), which signed Financial Intermediary Agreements with FMO. The aim is to provide long-term finance to cover capital expenditures and/or working capital needs in the form of debt or equity of between EUR 0.5-5 million, on commercially oriented terms, to MSMEs active in agri-food value chains and involving smallholder farmers.

The Sri Lankan window has also a specific focus on organic farming (a high priority of the government) and on cold chains and other food processing solutions (to reduce post-harvest loss and food waste as part of the objective under the previous MFF agriculture modernisation and new MFF circular economy/waste management) with a clear objective of benefitting smallholder farmers.

In 2022, the EDFI MC team visited the country to prospect about possible investment opportunities. Unfortunately, with the financial and economic crisis, several prospected entities either fell short of some of the basic requirements for investment or withdrew their interest for the financing offered by AgriFI. There were no investments made in 2022.

By the end of 2022, only two entities were still being considered for financing. One of them was cleared in principle by the investment committee and has gone through a due diligence process during the first quarter of 2023.

As a result, EDFI signed a contract with its first client, MFI Sarvodaya Development Finance in April 2024, in order to supply financial services and leasing of income-generating assets to societies, individuals and SMEs. Moreover, in the course of 2024, EDFI has been sourcing creditworthy clients involved in the agro sector and displaying good corporate governance practices.

## 5. Sustainable Private Sector Programme in Central Asia (SPS Kaz)

The regional project SPS Contribution Agreement was signed with EBRD in December 2021. However, as the new overarching FFPA (Financial Framework and Partnership Agreement) between the EU and EBRD was signed only in October 2022, many specific clauses had to be re-negotiated and re-introduced through an addendum to the contract that was signed in November 2022 and the SPS Programme effectively started only in 2023.

The SPS Programme envisages the EU contribution of EUR 5,320,000. It targets private enterprises in Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan, with the focus on micro, small and medium-sized enterprises.

The Action aims to help address the issues affecting the sustainable growth of the private sector in Central Asia through a comprehensive and integrated set of activities combining finance and capacity building. Specifically, it will pursue the following objectives: (i) Supporting private sector through finance; (ii) Encouraging growth, supporting MSMEs in creating employment opportunities; (iii) Aiding financial inclusion; (iv) Promoting regional connectivity and digitalisation; (v) Tackling climate change issues and supporting 'green' investments, technologies, and behaviours.

The total cost of the Action is EUR 28 million and it includes:

- EUR 21 million finance to MSMEs in the form of:
  - a) The EU-provided EUR 1 million guarantee of a first loss risk cover that will help deliver longer-term financing and riskier financing for companies that cannot easily access finance (e.g. because of a lack of collateral, innovative character, etc.);
  - b) EBRD credit lines of EUR 17 million to PFIs for on-lending to MSMEs;
  - c) PFIs own financing of EUR 3 million.
- EUR 7.3 million technical assistance (TA) which will be used for tailor-made consultancies and trainings for local MSMEs and local consultants, and matching visits for MSMEs to learn from the experience of the EU countries. The TA will be financed by:

- a) EU contribution of EUR 4 million;
- b) EBRD Special Shareholder Fund of EUR 3 million;
- c) Private companies' contributions of EUR 300 thousand.

Every EUR 1 of the EU Contribution to the Project is estimated to leverage EUR 5.72 in relation to the total investment costs of the Project.

In 2024, the Action leveraged approximately EUR 68 million in financing from financial intermediaries, bringing the cumulative total to EUR 157 million since the Action began.

In 2024 nine advisory projects were started: eight in the Kyrgyz Republic, and one in Tajikistan. The Kyrgyz Republic has had greater engagement in gender-focused projects, with 50 per cent of projects in 2024 focusing on gender inclusivity. Tajikistan's project is rural-focused and incorporates youth and digital priorities. Business advice to MSMEs covers a range of areas including strategy, marketing, operations, quality management, energy efficiency, fiscal management, and others. The EBRD also conducts training programmes for local consultants to strengthen their capacity and improve the range and quality of advisory services.

The Action also contributed to the Regional Small Business Programme Knowledge (RSBP) Sharing and Exchange Platform that makes MSME finance know-how available in the form of self-paced online courses, tutorials, video lessons and various sector-specific publications. The platform contains over 25 learning modules already, with built-in knowledge attesting tools, covering organisational, lending, communication and other MSME finance related topics. Since the start of RSBP, 239 financial institutions have benefitted from its training suite (online interactive classroom). In 2024 alone there was a total of 71 FIs that took part in the RSBP trainings in Central Asia (Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan).

## 6. Building Crisis-resilient SMEs in Mongolia post COVID-19 (ECS2)

The Action is to support the Mongolian micro, small and medium-sized enterprises (MSMEs), predominantly outside of the extractive industries, during and after Covid-19. There are 4 outcomes aimed under this action: 1. PFIs build capacity and continue provision of finance to MSMEs to survive the Covid-19 crisis and to grow; 2. MSMEs are becoming more resilient and expanded (by increased revenues and creation of new jobs); 3. More favourable business environment for MSMEs is created that fosters the growth and addresses the impacts of Covid-19, and 4. A policy dialogue that contributes to a more favourable business environment for MSMEs.

The EU contribution under the AIF is EUR 11,460,800 (including fees) to support this Action. The EU contribution consists of two components:

- Guarantee of EUR 4,020,000 and
- Ancillary support in the form of Technical Assistance ("TA") of EUR 6,980,000 (incl. communication costs).

The Action is composed of 4 Instruments:

1. Indirect Financing via Local PFIs (Instrument 1)
2. Direct Financing to Local SMEs (Instrument 2)
3. Business Advice to SMEs (Instrument 3)
4. Policy Dialogue (Instrument 4)

The targeted leverage effect of the Action is 3.74: it is calculated by dividing the total cost of the Action by the total amount of the EU blending contribution (EUR 42,860,800/EUR 11,460,800).



Regarding this Action, the actual implementation started only at the end of November 2022. While the EBRD signed eight loans totalling EUR 59.4 million with five private PFIs in Mongolia in 2023 and EUR 43.2 million with four private PFIs in 2024, there was no need yet to use the EU guarantee from the Action. Out of the total approved budget of EUR 480,000 for the capacity building for PFIs, EUR 434,900 was committed in 2023 and EUR 180,536.65 disbursed in 2023-2024 to support two activities/projects.

The EBRD must sign operations by 23 November 2032. The expected exit from equity investments is scheduled for 23 November 2034, 12 years after the start of the Action. The Financial Instrument is also expected to terminate on 23 November 2032.

The TA from the Action is helping a non-bank financial institution, InvesCore NBFI JSC, to increase its loan portfolio (also outside the capital) and to diversify its funding base. Additionally, it supported InvesCore in improving the efficiency of its MSE lending operations in Mongolia. The second activity is the extension of EBRD's RSBP (regional small business programme), made possible thanks to funding under the Action. It allowed staff of 20 Mongolian financial institutions to take part in trainings to improve knowledge and know-how to serve and finance MSMEs better.

Since the start of the Action, 105 advisory projects have been undertaken under Instrument 3, of which 100 were projects with local consultants including five group advisory projects, and five projects with international advisers. Out of the 100 local consultancy projects, 22 projects are in rural areas/outside of main cities. The Action has significantly contributed to the development of the local consultancy market and the enhancement of business advice availability for MSMEs. A total of thirteen events were organised, involving 970 MSMEs and 20 consultants. The EBRD aimed these activities around the EU's and EBRD's strategic themes, such as transitioning to a green, low-carbon economy, promoting equality of opportunity, and advancing digitalisation.

In 2024, new activities have included the following: rural know-how events in five regions of Mongolia, capacity building support to the MStars Hub LLC, a local accelerator with 30 start-ups in its portfolio, the recruitment of high potential start-ups (HPSUs) for the second cohort under the "Star Venture" programme, the financial training for 60 local businesses in Khanbogd in southern Mongolia, and a project with Lemon Press Digital LLC to produce a series of educational contents to promote banking and advisory service opportunities for SMEs on social media.

As in 2023, in 2024 the Action continued supporting the work to help the Mongolian Government in their efforts to protect the businesses' rights in court and dispute resolution through commercial mediation.

## 7. Supporting green infrastructure under the ASEAN Catalytic Green Finance Facility (ACGF)

The ACGF is an ASEAN Infrastructure Fund initiative supporting governments in Southeast Asia to prepare and finance infrastructure projects that promote environmental sustainability and contribute to climate change goals. The ACGF is owned by ASEAN governments and ADB and is managed by ADB's Southeast Asia Green Finance Hub.

The ACGF provides ASEAN member governments with technical assistance and access to over USD 1 billion in loans from cofinancing partners. The ACGF's technical assistance supports governments to identify and prepare commercially viable green infrastructure projects while the ACGF loans are utilised to cover upfront capital investment costs. This two-pronged approach "de-risks" green infrastructure projects, making them more attractive to private capital investors.

The agreement with the implementing partner was signed on 28 August 2023. Loan funds must be committed by 28 August 2026. The final maturity date will depend on when the loans are committed. Given a 15-year term, the latest possible end date would be 28 August 2041. The financial instrument is expected to end around the same time.

So far, two projects for zero interest loans have been approved by no-objection, both projects are expected to be approved by the ADB Board of Directors in 2025:

- **Indonesia:** Accelerating Indonesia's Clean Energy Transition Program – Phase 1. USD 10 million allocated. This is a Team Europe project with AFD and KfW as part of Indonesia JETP.
- **Lao PDR:** Sustainable Agrifood Systems Sector Project. USD 10 million allocated. This complements the TICA Team Europe initiative.

Through ACGF, also support **technical assistance is provided**; highlights include:

- **ASEAN Grid:** *Regional power market and interconnection infrastructure development.* USD 250,000 allocated to support the ASEAN Power Grid Initiative, including the development of a joint concept note for a dedicated finance facility, presented by ADB and the World Bank at the 42nd ASEAN Ministers of Energy Meeting in September 2024.
- **Agriculture, food, nature, and rural development (AFNR) programmatic support for project development.** USD 500,000 allocated for the preparation of projects and to promote climate-resilience in infrastructure projects.
- **Knowledge Management** USD 150,000 allocated to support ACGF knowledge and communications work, including reporting, workshops and visibility plans.

Next steps: Remaining loan funds need to be committed by 2026, and ADB has been encouraged to identify concrete projects with Team Europe aspects.

## 8. Kualifund India

The Kualifund India, led by COFIDES and managed by the Spanish private entity GAWA Capital, will mobilise over EUR 200 million. It is backed by contributions from the Green Climate Fund (EUR 25 million)<sup>165</sup>, the European Union—through the Latin America and the Caribbean Investment Facility (LACIF) and the Asia-Pacific Investment Facility (APIF) (EUR 12 million), the Development Promotion Fund (FONPRODE) of the Spanish Agency for International Development Cooperation (AECID) (EUR 50 million), and COFIDES (EUR 5 million). These contributions will act as catalysts for private investment, significantly reducing risk and improving returns. Additionally, the fund includes a EUR 12.25 million technical assistance facility.

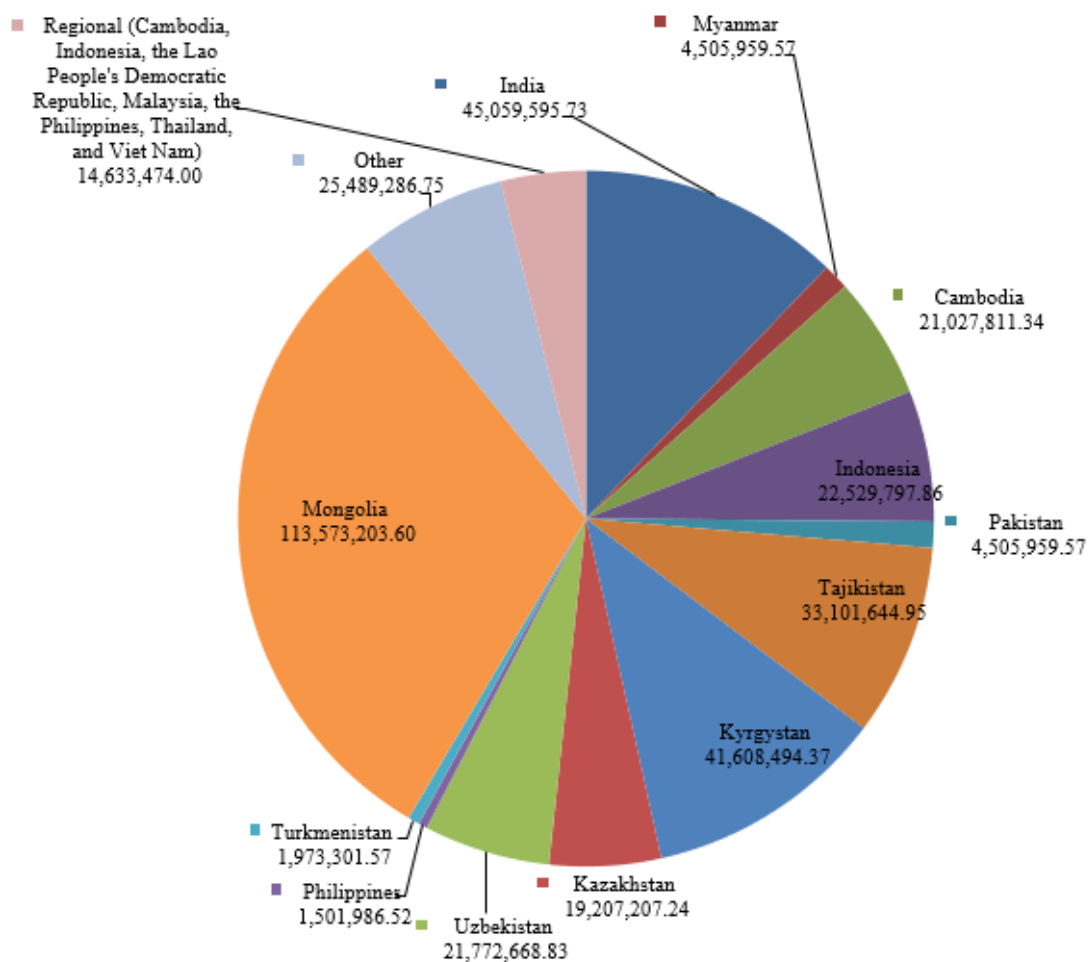
Specifically in India, approximately EUR 84 million will go towards investments and EUR 2.7 million of the budget will be directed towards the deployment of Technical Assistance to support investees. Both components will be devoted to the same beneficiaries: innovative companies and FSPs (and the SMEs and smallholder farmers financed by the latter ones).

The Fund will facilitate the transition toward greener and more inclusive business models by enabling financial service providers to offer green and climate-focused financial products to both SMEs and small-scale farmers. The Kualifund will also support companies with innovative climate solutions, expanding the availability of mitigation and adaptation strategies.

The contract with COFIDES for what concerns the India component was signed in 2024. No investment has taken place in 2024, as the focus in 2024 has been on securing the additional contribution from GCF, AECID, etc as well completing the first closing of the Fund with private investors (e.g. Allianz and others). There are prospects for EIB also to join Kualifund but this should be secured in a second closing. The deadline for the ACFG to sign the operations is 26/04/2034, which also marks the expected termination date of the FI.

<sup>165</sup> Currently, COFIDES is still awaiting the Non-Objection Letter from the Indian Nationally Designated Authority (NDA) to be able to mobilise the GCF funding in India.

## Geographical diversification



## Main issues for the implementation

No specific issues have been identified. With its blending cooperation, the Commission is promoting the Team Europe approach and leveraging the EFSD+ instrument as a key means of implementing the EU's Global Gateway strategy.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	60,378,343.58	110,589,200.00
Leverage effect	6.14	6.73
Multiplier effect	13.81	7.36
Operations	315	214
Financing provided to final recipients	370,490,391.90	743,945,608.00
Number of final recipients	260,739	179,645
Investments made by final recipients due to the received financing	833,966,525.45	814,354,362.00

## Financial Information

Financial Information (EUR)	Investment Facility for Central Asia (IFCA) & Asian Investment Facility (AIF) & Asia Pacific Investment Facility (APIF)		
Type of instrument	Equity/Guarantee		
Year of inception	2010		
Implementing Partner	EBRD, KfW, ADB, FMO, Cofides		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		5,028,000.00	110,589,200.00
Budgetary payments		3,593,400.86	60,378,343.86
<b>Reflows</b>			
Total reflows entered into the budget, of which:		0.00	2,000,000.00
<i>to the general budget</i>		0.00	2,000,000.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		295,232.00	978,271.15
Incentive fees		23,266.00	23,266.00
Treasury management fees		0.00	0.00
Other charges		2,063,048.80	3,743,383.81
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		62,621.50	62,621.50
Net treasury result (including interest) (gains (+) / losses (-))		342,527.55	734,693.57
Net FX gains (+) / losses (-)		1,140,812.93	870,373.34
Other revenues		34,732.00	39,690.80
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		14,064,939.71	10,195,169.67
Value of equity investments		10,620,598.72	9,355,605.02
Value of loans		968,011.00	0.00
Financial liabilities and provisions		1,123,915.13	235,110.47
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		15,600,804.16	15,002,309.04
Other financial assets (including short term deposits >3months)		19,781,192.00	17,663,324.16

## Notes to the financial information

N/A

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

N/A

## Financial information per implementing partner and instrument

EUR

Implementing Partner		KfW	EBRD	ADB	FMO	Cofides	TOTAL
Budgetary commitments	2024	-	-	-	-	5,028,000.00	<b>5,028,000.00</b>
	Aggregated	9,220,000.00	36,441,200.00	51,900,000.00	8,000,000.00	5,028,000.00	<b>110,589,200.00</b>
Budgetary payments	2024	-	1,909,442.86	-	449,300.00	1,234,658.00	<b>3,593,400.86</b>
	Aggregated	9,220,000.00	25,680,372.86	19,100,628.00	5,142,685.00	1,234,658.00	<b>60,378,343.86</b>
Amounts committed by the Implementing Partner	Grants (including TA)	2024	-	1,180,746.73	2,633,972.07	-	<b>3,814,718.80</b>
		Aggregated	-	13,071,790.94	2,633,972.07	-	<b>15,705,763.01</b>
	Financial instruments	2024	-	-	3,000,000.00	-	<b>3,000,000.00</b>
		Aggregated	7,220,000.00	2,210,617.75	3,000,000.00	-	<b>12,430,617.75</b>
	Own resources	2024	-	43,200,000.00	11,969,502.11	-	<b>55,169,502.11</b>
		Aggregated	20,677,375.57	295,259,902.00	11,969,502.11	-	<b>327,906,779.68</b>
Administrative expenditure	Management fees	2024	-	43,310.00	252,496.00	7,200.00	<b>318,498.00</b>
		Aggregated	220,000.00	453,597.84	47,360.34	7,200.00	<b>1,001,537.15</b>
	Other charges	2024	-	1,721,463.80	19,827.00	5,600.00	<b>2,063,048.80</b>
		Aggregated	-	3,009,104.34	19,827.00	5,600.00	<b>3,743,383.81</b>
	Total	2024	-	1,764,773.80	272,323.00	12,800.00	<b>2,381,546.80</b>
		Aggregated	220,000.00	3,462,702.18	293,205.97	12,800.00	<b>4,744,920.96</b>

Financial Information (EUR)	AgrFI Country Window for Sri Lanka		Building Crisis-Resilient SMEs in Mongolia post Covid-19		Microfinance Initiative for Asia Debt Fund		Support for Mongolian Economic Diversification through SME	
Type of instrument	Equity		Guarantee		Equity		Guarantee	
Year of inception	2021		2022		2012		2016	
Implementing Partner	FMO		EBRD		KFW		EBRD	
	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>								
Budgetary commitments	0.00	8,000,000.00	0.00	11,460,800.00	0.00	9,220,000.00	0.00	11,810,400.00
Budgetary payments	449,299.78	5,142,684.78	1,909,443.55	4,022,296.55	0.00	9,220,000.00	0.00	10,158,077.00
<b>Reflows</b>								
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	2,000,000.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	2,000,000.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>								
<b>Guarantees</b>								
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>								
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>								
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>								
Administrative fees	15,492.00	47,360.34	0.00	61,127.80	0.00	220,000.00	0.00	200,000.00
Incentive fees	0.00	0.00	13,266.00	13,266.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	316,158.00	708,852.47	1,204,502.84	2,077,757.10	0.00	0.00	0.00	0.00
<b>Revenues</b>								
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	62,621.50	62,621.50	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	-239.45	-7,358.75	24,929.00	70,978.15	0.00	0.06	52,334.00	50,031.45
Net FX gains (+) / losses (-)	47,091.24	47,091.24	918.03	458.92	0.00	0.00	-1,131.00	540.00
Other revenues	0.00	0.00	34,732.00	39,690.80	0.00	0.00	0.00	0.00
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>								
Maximum financial risk exposure	2,411,845.83	0.00	0.00	0.00	10,620,598.72	9,355,605.02	102,102.44	256,866.65
Value of equity investments	0.00	0.00	0.00	0.00	10,620,598.72	9,355,605.02	0.00	0.00
Value of loans	968,011.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	505,342.51	0.00	0.00	0.00	0.00	0.00	11,667.72	23,452.61
<b>Assets under treasury management</b>								
Balance in the fiduciary bank account (including short term deposits <3months)	2,743,918.63	4,092,881.70	2,097,661.79	1,088,599.79	0.00	0.00	2,550,031.00	2,497,696.00
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Financial Information (EUR)	Sustainable private sector in Central Asia		The SME Finance Facility for Central Asia - Phase 2		Supporting green infrastructure under the ASEAN Catalytic Green Finance Facility (ACGF)		Kuali Fund India	
Type of instrument	Guarantee		Guarantee		Equity		Equity	
Year of inception	2022		2018		2023		2024	
Implementing Partner	EBRD		EBRD		ADB		Cofides	
	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>								
Budgetary commitments	0.00	5,320,000.00	0.00	7,850,000.00	0.00	51,900,000.00	5,028,000.00	5,028,000.00
Budgetary payments	0.00	3,710,000.00	0.00	7,790,000.00	0.00	19,100,628.00	1,234,657.53	1,234,657.53
<b>Reflows</b>								
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>								
<b>Guarantees</b>								
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>								
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>								
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>								
Administrative fees	0.00	29,007.04	20,044.00	140,197.00	252,496.00	273,378.97	7,200.00	7,200.00
Incentive fees	10,000.00	10,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	516,960.96	931,347.24	0.00	0.00	19,827.00	19,827.00	5,600.00	5,600.00
<b>Revenues</b>								
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	100,292.00	203,522.66	142,476.00	208,568.00	0.00	186,216.00	22,736.00	22,736.00
Net FX gains (+) / losses (-)	1,590.00	-195.48	-29,037.34	-95,424.34	1,121,382.00	917,903.00	0.00	0.00
Other revenues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>								
Maximum financial risk exposure	0.00	0.00	930,392.72	582,698.00	0.00	0.00	0.00	0.00
Value of equity investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	0.00	606,904.90	211,657.86	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>								
Balance in the fiduciary bank account (including short term deposits <3months)	2,747,551.00	3,257,039.22	4,208,568.00	4,066,092.33	0.00	0.00	1,253,073.74	0.00
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	19,781,192.00	17,663,324.16	0.00	0.00

## 6.3 Latin America Investment Facility (LAIF) and Latin America and Caribbean Investment Facility (LACIF)

### Description

Identification / Reference to the basic act			
Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020. Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action. Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009.			
Budget lines			
14.029902.01 (previously 14.020140)			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	0.00	80,000,000.00	34,000,000.00
<b>Budgetary payment appropriations</b>	1,420,390.47	49,103,910.00	38,951,183.00

<b>Initial financial envelope:</b>	EUR 180,400,000.00
<b>Current financial envelope:</b>	EUR 633,407,810.00
<b>Overall financial envelope:</b>	EUR 633,407,810.00

### General description

In 2021, a new facility was set up under NDICI, namely LACIF (Latin America and Caribbean Investment Facility). In 2022 and 2023, efforts concentrated on building up a strong pipeline for LACIF and two project were signed by end 2023. The LACIF facility provides different forms of assistance including technical assistance, investment grant and to a lesser extend equity, or guarantees. In 2024, 11 projects were signed under the LACIF facility, seeing the efforts in building a strong pipeline in the previous years materialised in concrete deliverables.

Blending is an important tool to operationalise EFSD+ under the Pan-American window of the Americas and the Caribbean Regional Multiannual Indicative Programme (MIP) and the country MIPs. The Programme's design builds on a 15-years track record of the previous facilities, namely the Latin America Investment Facility (LAIF) and the Caribbean Investment Facility (CIF)<sup>166</sup> with a total EU contribution of EUR 681,000,000, having mobilised investments totalling EUR 7.4 billion between 2010-2022. The last LAIF intervention was signed in 2021. Since then, operations have been signed only under the LACIF facility, starting from 2022 when the first Contribution Agreement was signed.

LACIF is the blending facility under EFSD+, which aims to boost access to funds from financial institutions for key investments for sustainable and inclusive infrastructure development and, since 2023, with a focus on the implementation of the EU-LAC Global Gateway Investment Agenda (GGIA).

The main purpose of LACIF is to foster sustainable and inclusive economic, environmental, and social development, by mobilising investments in key Global Gateway sectors. This is achieved through investments in the following sectors: MSMEs; Connectivity (energy, transport and digital); Natural Capital

<sup>166</sup> The Caribbean Investment Facility (CIF) is part of the European Development Fund (EDF) therefore it will not be accounted in this report. LACIF is the merging of LAIF and CIF.



(agriculture, biodiversity, forests, water); Sustainable Cities (including sanitation and water sector); Human Development and Sustainable Finance. LAIF promoted investments in infrastructures in the transport, energy, and environment sectors (including water and sanitation as well as agriculture and rural development), in social sectors such as health and education, and in private sector development growth of SMEs. LAIF also included a climate change window to support partner countries through mitigation and/or adaptation measures.

The EU Delegations have an important role in the decision-making process and partner countries have a strong ownership of LAIF and LACIF interventions. The blending framework ensures close coordination between the EU and the implementing financial institutions (both EU Member States' agencies and international/regional).

## **Duration**

Since its start of operations in 2009, LAIF has provided support to 60 projects. LACIF became operational in 2022 with a duration of 8 years. Up to end 2024, LACIF and LAIF grants have been approved for a total amount of EUR 609 million, aiming at mobilising a total investment of approximately EUR 14 billion (total project cost).

## **Financial institutions involved in implementation**

Individual projects financed under LACIF are implemented through indirect management mode. This means that the Commission delegates budget implementation tasks to eligible financial institutions, which have successfully undergone a pillar assessment in accordance with the Financial Regulation.

Budget implementation tasks consist of grant award procedures and of concluding and managing the resulting contracts, execution of payments and monitor progress and expected results, among others. The entrusted Member State agency or international organisation also monitors and evaluates daily operations of the project, which are usually conducted by an executing agency, and is responsible of reporting to the European Union. The main LAIF/LACIF partners regarding financial instruments are KfW and COFIDES. Other blending partners are AFD, AECID, EIB, IDB, CABI and CAF, with whom first operations have been signed in 2024.

## **Operational Performance**

In 2009, the EU established the Latin America Investment Facility (LAIF) under the Development Cooperation Instrument (DCI), with a total EU contribution of EUR 180.4 million. From 2014 to 2021 EUR 360.2 million have been allocated to LAIF from the general budget of the Union (EUR 30 million in 2014; EUR 42.34 million in 2015; EUR 53.87 million in 2016, EUR 53.86 million in 2017, EUR 46.13 million in 2018, EUR 40 in 2019, 52 million in 2020 and 42 million in 2021). Up to 2021, in total 60 projects were endorsed by the LAIF Board and contracted, with a LAIF contribution of EUR 522 million including fees. These contributions are expected to leverage investments worth around EUR 15 billion. 39.5% of the facility contribution to the projects was made in the form of investment grant, 48.8% as technical assistance, 8.2% in the form of risk-sharing instruments and guarantees and 3.5% as fees.

In 2022, LACIF became operational, and five projects were approved by the Blending Board of which two projects of EUR 4.2 million (KfW) and EUR 6.2 million (AFD) were contracted. In 2023, eight projects were approved by the Blending Board and 11 operations were approved by the Blending Board in 2024. LACIF contribution to the projects endorsed by the Board since 2022 is EUR 105 million. In 2024, 11 projects were signed for a total amount of EUR 78 million.

The added value of LAIF/LACIF is achieved at different levels, including:

- (i) at the strategy and policy level, LAIF/LACIF provides policy leverage, enhances the supply of public goods, increases EU visibility, considers debt sustainability thresholds, and contributes to aid effectiveness.

(ii) at the financial level LAIF/LACIF, provides financial leverage, contributes to mitigates risks and lower borrowing costs and provides flexibility and tailored assistance to financing needs.

(iii) at the operational level, LAIF/LACIF stimulates financial discipline, efficient management and monitoring, accelerates the pipeline process of investment projects, improves project quality and increases coordination among stakeholders and partners (contributing to Team Europe).

Water Supply and Sanitation (27%), Sustainable Energy (22%) and Support to Small and Medium Enterprises (12%) are the main sectors of the LAIF's portfolio. The LACIF projects signed in 2022 and 2023 relate to the sustainable transport sector (e-mobility) and climate finance. The LACIF projects signed in 2024 contribute to Global Gateway priorities like digitalisation, critical raw materials, bioeconomy, health, water and sanitation.

The expected results of the LAIF/LACIF are to have increased investment in key sectors contributing to:

- 1) improved social services and infrastructures,
- 2) enhanced sustainable energy infrastructure and offer,
- 3) increased environmental protection,
- 4) enhanced climate change mitigation and adaptation,
- 4) creation and growth of SMEs and enhanced employability and employment offers,
- 5) better and environmentally friendly transport infrastructure and more sustainable mobility offer.

The final recipients are the citizens of Latin American and Caribbean countries set out in the DCI Regulation (EC) No 1905/2006 and those set out in Regulation (EU) 233/2014. Special attention is paid to a balanced involvement of the different sub-regions and countries, while ensuring support for quality operation proposals and keeping in mind the absorption capacity of individual countries and regions.

Other beneficiaries, benefitting of the technical assistance that accompany many of the projects, are the private sector and, in particular, SMEs.

## **Financial instruments implemented under the facility.**

### **1. Eco.business Fund for SME development in Latin America and the Caribbean – Investment Fund**

The Eco.business Fund (EBF LAC) is a joint initiative of investors supporting the promotion of business and consumption practices that contribute to biodiversity conservation, the sustainable use of natural resources, climate change mitigation and adaptation and is implemented by KfW. The Eco.business Fund seeks investments that yield both financial and environmental returns. The financing can be provided directly or through local financial institutions. In addition, final recipients and local financial institutions can count on high impact technical assistance provided by the Eco-business Development Facility.

In Latin America and the Caribbean, the EBF LAC focuses on four target sectors: agriculture, forestry, aquaculture and fishery, and sustainable tourism. As part of its mission, the Fund also aims to leverage the capital provided by public investors by mobilising resources from the private sector. Ending 2023, private investors made up 44% of EBF LAC's total nominal funding.

The EBF LAC's outstanding loan portfolio reached USD 650 million in 2023, distributed across thirteen countries and 42 partner institutions. The end-borrowers financed during 2023 by EBF LAC are predominantly engaged in the production and transformation of sugar cane, coffee, farmed fish and shrimp, and tourism related services. EBF LAC has provided 37,405 sub-loans to end borrowers via its Partner Institutions since its inception. 18% of these sub-loans are linked to certified producers.

The Development Facility ("DF") of the EBF LAC successfully continued to support the objectives of the Fund and its partners in 2023. Throughout the year, 8 new projects (loan agreements) were signed with financial institutions. The EBF LAC DF's activities in 2023 ranged from supporting an end-borrower in implementing a carbon neutral management system, developing a green financial product based on the Fund's eligibility criteria, implementing environmental and social management systems, to event

sponsorship and capacity building. Thereby, the EBF LAC DF continues to directly respond to stakeholder needs. Furthermore, the DF successfully conducted a Mid-Term Review of its and the Fund's activities.

The EU contribution was fully disbursed in 2020. The project is yearly accompanied by a progress report.

The contribution agreement between the European Commission and KfW was signed on 14 July 2017, and its implementation period ends on 31 December 2033. The EU contribution to the junior shares will have a duration of minimum 15 years. Due to the open-ended structure, the Fund is intended to stay an established financial instrument in the region beyond the validity of the EU contribution.

The achieved leverage is 45.40.

## 2. Green Bonds Fund (LAGREEN)

LAGREEN is the first green bonds fund in Latin America and is implemented by KfW. Its main purpose is to finance climate- and resource-friendly investments and to mobilise local and international private capital towards the issuance of green bonds in Latin America. LAGREEN is structured as a public-private partnership. This blended finance model offers different capital tranches that provide multiple risk-return profiles. Public investors and development finance institutions invest in junior and senior shares. Subordinated notes are purchased by development finance institutions and institutional private investors. These contributions provide a risk cushion for senior notes, the most protected investment instrument of the fund, which are exclusively offered to private investors. A Technical Assistance Facility (TAF), a separate vehicle created with funding from the EU and BMZ, provides support to issuers and promotes an overall conducive environment for green bonds. The fund is managed by Finance in Motion a Luxembourg SICAV. The specific objectives of this fund are:

- to mobilise additional funding for Nationally Determined Contributions (NDC) implementation.
- to stimulate local capital market development towards a transition to sustainable finance – thereby fostering transparency and long-term commitments in financial and economic activity.
- to contribute to substantial greenhouse gas emissions mitigation and/or climate change adaption impact.

The LAGREEN fund initiated in 2020 and by mid-2024 had reached already EUR 181 million including EU's EUR 13 million contribution. The fund aims at reaching a volume of USD 500 million in 2025.

As of 2024, the Fund held a total of nine bonds, being present in Brazil, Colombia, Peru, Costa Rica, Ecuador, Panama and Mexico, allocating EUR 121 million. The issuers include banks, leasing companies and a first corporate. All investments of the Fund included an innovative/first-time component, like for example:

- The worldwide first thematic bond issued by a member of the Net-Zero Banking Alliance setting impact KPIs linked to the alliance's goals. In this case, the Colombian bank committed to significantly reduce the carbon intensity of its portfolio and to exit the coal sector.
- The first thematic bond issued by a Mexican non-bank financial institution, focused on supporting sustainable agriculture.
- The first blue bond issued by an Ecuador-based financial institution in Latin America, receiving the 2023 Bond Award by Environmental Finance magazine.
- The first blue bond issued in Colombia
- The first long-term green bond issued by CIFI, a non-bank financial institution in Panama providing debt financing for local mid-sized green infrastructure projects, mostly in the renewable energy sector.
- The first operation of the Fund in 2025 was the first ever thematic bond issued in Guatemala.

Advisory and capacity building project support has been delivered in 14 countries, with 27 projects approved. The fund has been investing in coordination with the Inter-American Development Bank (IDB) and the International Finance Cooperation (IFC).

The contribution Agreement between the European Commission and KfW was signed on 17 December 2020, and its implementation period ends on 17 December 2035. The EU contribution will have a maturity which shall be aligned with the duration of the action. During this period, the shares will be utilised and leveraged for investments. At the end of the implementation period, the shares will be repaid in cash. All junior shares have a maturity of a minimum of 15 years with a notice for redemption of at least 10 years.

The leverage achieved is 8.78.

### 3. Development Facility of the Green Micro, Small and Medium Enterprises (MSME) Initiative in Central America

The Green MSMEs Initiative aims at reducing carbon emissions in the Central American Region by ensuring the provision of financial and non-financial services to support renewable power generation and energy efficiency measures in Micro, Small and Medium Enterprises (MSMEs) and has three main components:

- Technical Assistance for MSMEs as well as Participating Financial Intermediaries,
- Partial Risk Guarantees for MSMEs,
- Financing (loans) for Environmental Investments for MSMEs.

This Initiative represents a continuation of the “Energy Efficiency and Renewable Energy programme for SME in Central America”. This programme has been successfully implemented and the achievements and lessons learnt constitute the basis for this initiative.

The start of implementation of the programme suffered some delays, mainly due to (a) CABEI’s reorganisation process with staff changes and vacancies as well as to (b) the implications of the COVID-19 pandemic with major challenges for CABEI and the region. Both aspects absorbed resources of CABEI at all levels. However, CABEI was successful in setting up quickly a comprehensive Emergency and Economic Reactivation Program for Central America in response to the COVID-19 crisis.

In May 2020, an amendment was signed between EU and KfW (and respectively between CABEI and KfW). By this amendment, the “Green MSME Initiative” was included as part of the component 5 of the Emergency Program of CABEI. Component 5 of the Emergency Program is oriented towards supporting the financial sector and the MSMEs affected by the COVID-19 pandemic and called “Financial Sector Support Facility for MSMEs Financing”. A second amendment was signed in November 2021 which included among others an extension to the implementation period of up to 10 years for component 2.

Progress in 2024 can be summarised as:

**Component I:** KfW, CABEI and the consultant team (GOPA) have worked closely to build up a pipeline of eligible projects and activities in all eligible countries. A total of 47 requests for Technical Assistance and visibility activities have been either executed or approved for a total value of USD 760,535. There is a pipeline of 4 activities (Technical assistance and visibility) identified which are currently being reviewed by CABEI/GOPA/KfW. Funds have been distributed equally, and Costa Rica and Honduras have executed largest proportions of their financing, while Nicaragua and El Salvador executed the lowest. All countries have executed at least 57% of its available resources already.

**Component II:** Because of the delays suffered under this Program, KfW/EU agreed to accept retroactive financing of guarantees for credits granted from the date of the creation of the Credit Guarantee Fund (August 2020) onwards. The pre-condition agreed is that the guarantees comply with the regulations of the Manual of Guarantees. Under this component (budget available: EUR 12 million), CABEI has issued guarantees to 15 financial institutions (PFIs) in 5 different countries for a total amount of USD 7,169,044. Honduras (47%) is by now the country where the highest amount of funds has been allocated through

guarantees, followed by Guatemala (30%). KfW and CABI will continue working together to ensure the participation of all eligible countries under this component.

The contribution Agreement between the European Commission and KfW was signed on 17 December 2018, and its implementation period ends on 10 December 2034. The implementation period of the Partial Risk Guarantees is up to 15 years and defined as follows:

- Investment/execution period for 5 years.
- Revolving fund including fees: during the investment period, any funds previously allocated as PRGs, but not executed will be available to be allocated in new guarantees under the initiative.
- Repayment period for up to 10 years.

Achieved leverage: 4.56.

#### 4. Kuali Fund

Kuali Fund aims to transform Latin American and the Caribbean and India in low-carbon and resilient economies by fostering systemic adoption of climate best practices by small financial institutions, including small banks, microfinance institutions, cooperatives, other non-bank financial institutions and FinTech companies. Kuali seeks to enable them to develop green financial products and technologies, benefiting SMEs and smallholder farmers. The Fund also supports companies with innovative climate solutions that could eventually be financed by the institutions mentioned above.

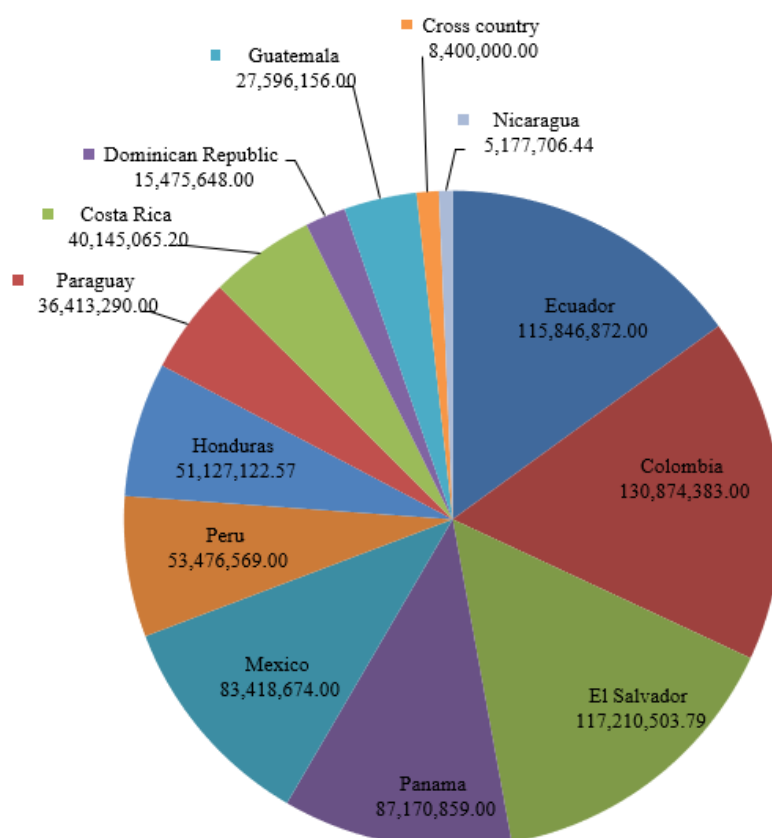
By mobilising private capital and fostering gender inclusion, Kuali catalyses systemic change, driving sustainable economic growth and productivity and environmental stewardship across the region, increasing resilience through higher adaptation capacity. The Fund size is expected to reach EUR 300 million in investments, out of which EUR 216 million devoted to the LAC region, accompanied by a EUR 12.25 million Technical Assistance Facility. The Fund is expected to directly support over 491,000 smallholders (of which 30% will be women) and avoid 2.2 anticipated million tons of CO<sub>2</sub> equivalent in its 10 years expected lifetime in LAC alone.

The Kuali Fund is implemented by COFIDES and the other anchor investors are AECID-FONPRODE (EUR 50 million in senior notes and EUR 2 million in TA) and the Green Climate Fund (EUR 25 million in equity and EUR 5 million in TA).

The contribution Agreement between the European Commission and COFIDES was signed on 19 December 2024, and its implementation period ends on 18 December 2034. The term of Kuali Fund will be 10 years from the date of the First Closing but it may be extended for 2 consecutive additional one-year periods, subject to the Approval of the Investors Advisory Committee. The investment period of the Fund is 5 years. As the Fund was signed in December 2024 no results nor leverage are reported upon yet.

## Geographical diversification

The distribution of total project investments financed with the LAIF and LACIF facilities is as follows:



## Main issues for the implementation

- The potential of regional projects in interconnection projects remains to be explored. Attention must be paid to aspects such as regional interconnectivity, as well as to the strengthening and capitalising on policy dialogue.
- Important that the EU Delegations are involved early in the design, preparation and the monitoring of blending operations. The alignment with the country level priorities, Team Europe Initiatives, and flagship projects is important. A stable political and security climate at the regional level in general and at the country level is needed to promote and attract investments. The pipeline of operations must target the specific policy priorities and sectors set for the region/partner country, offer adequate quality and volume, and ensure EU additionally. Continuous dialogue between HQ, DFIs and EUDELs is important throughout the whole lifecycle of the operations.
- Difficulty to assess if concessionality has been transferred to the end beneficiary. It is also difficult to assess whether the financial gap has been filled.
- The risk covered (expected loss) by financial instruments such as guarantees is not reported to the EU.
- A greater use of financial instruments such as equity and other risk-sharing instruments is often mentioned as an optimal way to crowd in private financing. LAIF supported its first Financial Instrument Delegation Agreement in 2017, namely Eco.business Fund; in 2019 the Green MSMEs and in 2020 the Latin America Green Bonds Fund. This will be continued through LACIF, under which the Kuali Fund has recently been signed.
- By financing technical assistance, innovative instruments (such as risk sharing), and providing complementary grants, LAIF/LACIF encourage recipient governments and institutions to make essential investments, which would otherwise have been postponed due to lack of resources or too high risks.



- The use of technical assistance is very positive as it enhances project quality, ensures timely completion and helps improve technical capacities within executing agencies, which in return increases project ownership. Some old projects did not include such a component, but newly signed ones are encouraged to incorporate it.
- Reporting on individual projects is very heterogeneous in quality and quantity; continued effort is being undertaken by the EU both in HQ and in the EU Delegations to ensure follow-up of the projects and proper flow of information and communication. Annual reporting sometimes lacks information on the performance of the overall operation, and on components financed by partner institutions and their financial implementation. As from 2023 adherence to the Results Management Framework for blending operations is mandatory as well as reporting on the *logframe* in OPSYS. This requires an important shift in procedures and mindset from the implementing partners but will contribute to a better quality and homogeneous monitoring of blending instruments. KfW is progressively using OPSYS to report results.
- Timelines for approval processes with EU and DFIs are not always aligned, this poses a challenge for managing the blending pipelines and ensuring EU additionality. Similarly, long loan approval processes by national and subnational authorities can delay project start. A continuous dialogue with the DFIs on the blending pipeline is warranted.

The following sections, Performance and Financial Information, present the implementation, in figures, of the four financial instruments under the LAIF/LACIF facilities, which take form of equity or bank guarantees and required opening a fiduciary account on behalf of the European Commission by a partner institution.

## Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	38,452,035.49	56,492,000.00
Leverage effect	20.09	15.02
Multiplier effect	47.58	49.23
Operations	90	115
Financing provided to final recipients	772,332,849.00	848,485,090.00
Number of final recipients	2,355,783	9,891,008
Investments made by final recipients due to the received financing	1,829,451,861.00	2,781,116,810.00

## Financial Information

Financial Information (EUR)	LAIF & LACIF		
Type of instrument	Blending		
Year of inception	2017		
Implementing Partner	KfW, Cofides		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	43,690,000.00
Budgetary payments		1,420,390.47	38,452,035.67
<b>Reflows</b>			
Total reflows entered into the budget, of which:		0.00	0.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			

<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		91,532.38	530,556.81
Incentive fees		0.00	0.00
Treasury management fees		0.00	0.00
Other charges		630,216.04	1,010,493.81
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))		71,110.34	183,643.50
Net FX gains (+) / losses (-)		684,768.03	432,135.65
Other revenues		0.00	3,723.92
	Notes	2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		30,683,350.70	29,269,290.94
Value of equity investments		24,751,332.99	23,692,429.76
Value of loans		0.00	0.00
Financial liabilities and provisions		102,810.83	128,226.02
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		2,837,294.88	1,872,871.68
Other financial assets (including short term deposits >3months)		0.00	0.00

## Notes to the financial information

N/A

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

N/A



## Financial information per implementing partner and instrument

EUR

Implementing Partner			KfW	Cofides	TOTAL
Budgetary commitments		2024	-	-	-
		Aggregated	43,690,000.00	-	<b>43,690,000.00</b>
Budgetary payments		2024	1,420,390.47	-	<b>1,420,390.47</b>
		Aggregated	38,452,035.67	-	<b>38,452,035.67</b>
Amounts committed by the Implementing Partner	Grants (including TA)	2024	1,730,000.00	-	<b>1,730,000.00</b>
		Aggregated	6,412,600.00	-	<b>6,412,600.00</b>
	Financial instruments	2024	-	-	-
		Aggregated	33,133,706.00	-	<b>33,133,706.00</b>
	Own resources	2024	-	-	-
		Aggregated	119,600,000.00	-	<b>119,600,000.00</b>
Administrative expenditure	Management fees	2024	91,532.38	-	<b>91,532.38</b>
		Aggregated	530,556.81	-	<b>530,556.81</b>
	Other charges	2024	630,216.04	-	<b>630,216.04</b>
		Aggregated	1,010,493.81	-	<b>1,010,493.81</b>
	Total	2024	721,748.42	-	<b>721,748.42</b>
		Aggregated	1,541,050.62	-	<b>1,541,050.62</b>

Financial Information (EUR)	Green MSMEs KfW		Latin America Investment Facility Eco-Business Fund		Latin American Green Bond Funds		Kuali Fund - Multi Regional LAC	
Type of instrument	Guarantee & TA		Fund		Fund		Fund	
Year of inception	2019		2017		2020		2024	
Implementing Partner	KfW		KfW		KfW		Cofides	
	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>								
Budgetary commitments	0.00	14,380,000.00	0.00	13,260,000.00	0.00	16,050,000.00	0.00	0.00
Budgetary payments	500,000.00	10,080,000.00	0.00	13,032,757.49	920,390.47	15,339,278.18	0.00	0.00
<b>Reflows</b>								
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>								
<b>Guarantees</b>								
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>								
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>								
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>								
Administrative fees	13,333.33	67,778.43	16,684.49	123,560.96	61,514.56	339,217.42	0.00	0.00
Incentive fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	0.00	0.00	0.00	0.00	630,216.04	1,010,493.81	0.00	0.00
<b>Revenues</b>								
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	70,885.14	183,131.03	225.20	512.14	0.00	0.33	0.00	0.00
Net FX gains (+) / losses (-)	412,997.50	160,339.98	269.02	353.07	271,501.51	271,442.60	0.00	0.00
Other revenues	0.00	0.00	0.00	3,723.92	0.00	0.00	0.00	0.00
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>								
Maximum financial risk exposure	5,932,017.71	5,576,861.18	10,672,825.02	10,263,906.93	14,078,507.97	13,428,522.83	0.00	0.00
Value of equity investments	0.00	0.00	10,672,825.02	10,263,906.93	14,078,507.97	13,428,522.83	0.00	0.00
Value of loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	102,810.83	128,226.02	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>								
Balance in the fiduciary bank account (including short term deposits <3months)	1,938,611.80	1,868,776.77	4,589.04	4,094.91	894,094.04	0.00	0.00	0.00
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

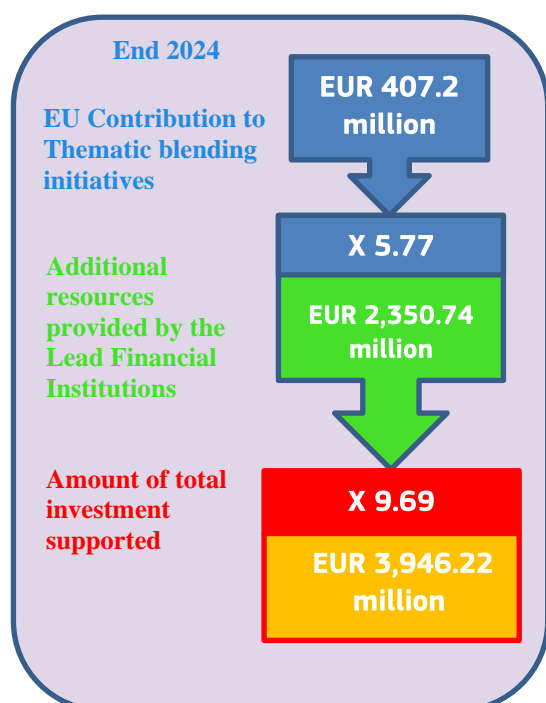
## 6.4 Thematic Blending (Energy, Food, Humanitarian, Environment)

### Description

Identification / Reference to the basic act			
Regulation (EC) No 1905/2006 of the European Parliament and of the Council of 18 December 2006 establishing a financing instrument for development cooperation.			
Regulation (EU) No 233/2014 of the European Parliament and of the Council of 11 March 2014 establishing a financing instrument for development cooperation for the period 2014-2020.			
Regulation (EU) No 236/2014 of the European Parliament and of the Council of 11 March 2014 laying down common rules and procedures for the implementation of the Union's instruments for financing external action.			
Budget lines			
BGUE-B2023-14.029902.05-C8-INTPA, BGUE-B2023-21.020704-C8-INTPA, BGUE-B2022-14.029902.07-C8-INTPA			
(EUR)	2024	2025	2026
<b>Budgetary commitment appropriations</b>	10,701,600.00	151,199,671.35	131,911,039.71
<b>Budgetary payment appropriations</b>	32,011,578.70	16,990,312.66	134,209,358.69

Initial financial envelope:	EUR 74,851,742.00
Current financial envelope:	EUR 574,744,946.00
Overall financial envelope:	EUR 574,744,946.00

### General description



### ENERGY (total funds: EUR 444.7 million):

The Energy Thematic blending is constituted of 8 different financial instruments, as detailed below.

#### ElectriFI Initiative: EUR 339.7 million

##### 1. EDFI-ElectriFI Global Window

The EU contribution of EUR 125.9 million is dedicated to unlocking, accelerating and de-risking sustainable energy investments in our partner countries, with a particular focus on rural, underserved areas in sub-Saharan Africa.

The financial instrument has been running since December 2015, when the Delegation Agreement with FMO was signed. It was completed by several top-ups.

The signature of any new operations would have to be finalised by 31/12/2025, while the contract end date of activities is the 31/12/2030.

The objective of ElectriFI is to accelerate the development of businesses providing and improving access to modern, affordable and renewable energy services to populations living in underserved areas, by de-risking and unlocking private sector investments.

ElectriFI addresses the existing lack of access to seed, mid- and long-term funding, by providing the missing capital to early-stage, higher-risk companies providing mini-grids, Solar Home Systems (SHSs), Captive

Power Plants (CPPs) or Independent Power Producers (IPPs), The involvement of the private sector in the electrification business, though bridging the financing gap, has an added value in attracting additional financing and enhancing the sustainability of investments and market expansion.

The FMO is the entrusted entity for the instrument, implemented by EDFI Management Company on behalf of FMO.

Since the start of operations in 2017, ElectriFI has expanded rapidly and now includes 51 operations in Africa, Asia and the Caribbean, amounting to a total of EUR 100.8 million of investments, leveraging a total amount of EUR 410.6 million in investments from external investors. The leverage factor is 5.1x.

At the end of its life, it is envisaged that ElectriFI Global Window will reach 57 operations, with a target of providing 31.5 million people with electricity, avoiding 1.3 million tons of CO<sub>2</sub> per year and adding 1,889 GWh per year.

The targeted leverage effect is 4. The achieved leverage is 5.

## 2. Africa Renewable Energy Scale Up Facility (ARESUF)

The ARE Scale Up Facility aims to foster renewable energy projects in Africa. It is managed by the AFD Group via two components (i) a Technical Assistance component, managed by AFD for a total amount EUR 16.3 million, and (ii) a Guarantee Fund managed by Proparco for a total amount of EUR 22.35 million. The EU contributes EUR 24.6 million to the Facility as a whole. The EU contribution includes up to EUR 12.35 million as financial instrument (of which EUR 10 million as an unfunded guarantee facility) dedicated to de-risking equity financing of pioneer renewable energy businesses in Africa.

The financial instrument has been running since December 2016, when the Delegation Agreement with Proparco was signed.

The signature of any new operations had to be finalised by 26/06/2024, while the contract end date of activities is the 27/12/2031.

By supporting renewable energy development in Africa and promoting private sector involvement in the field of access to modern energy services, the Scale up Facility will contribute to the two main objectives of AREI: overall acceleration of access to energy for all and deployment of renewable energy on the African continent. ARESUF supports investment in private companies active in the decentralised energy sector, including Solar Home Systems (SHS), off-grid and minigrid solutions. The guarantee provided by the EU helps catalyse funding from DFIs as well as private capital equity investments in these business models and contributes to bridging the financing gap of this sector, which is capital intensive. Cooperation among public and private investors helps ensure sufficient funding at scale.

Proparco is the entrusted entity for the implementation of the financial instrument.

To date, Proparco has invested EUR 18.5 million as part of funding rounds totalling over EUR 133 million in 6 operations. The companies supported will help provide 250 MW of renewable energy benefiting 250,000 people, creating 1,200 jobs and saving 420 thousand tons of CO<sub>2</sub>eq per year.

The targeted leverage effect is 2. The achieved leverage is 2.

## 3. Climate Investor One (CIO) & CIO (EEI)

The total EU contribution to Climate Investor One (CIO) amounts to EUR 98.2 million (of which 10 million from EDF). CIO is dedicated to developing, constructing and operating renewable energy projects in emerging markets. CIO uses blended finance to catalyse private sector capital into developing markets.

The financial instrument has been running since December 2017, when the first Delegation Agreement was signed. The signature of any new operations would have to be finalised by 23/06/2032, while the contract end date of activities is the 23/06/2037.

CIO provides whole-of-life financing for renewable energy infrastructure in emerging markets with a primary focus on wind, solar and run-of-river projects. CIO helps develop, construct and operate renewable energy projects in regions with significant power deficits, in a more expedient manner and at reduced cost. Together with other donor capital, the EU contribution helps reduce the risk profile of CIO projects, unlocking investment from mainstream commercial investors.

FMO is the entrusted entity for the implementation of the financial instrument. Climate Fund Managers (CFM) is the Fund Manager of Climate Investor One.

Of the 24 ongoing projects across Asia, Africa and Latin America, 11 are currently under development, 5 under construction, and 8 in full or partial operation. Altogether, CIO operations are expected to help install 1.6 GW of renewable energy capacity, reaching 8.2 million people, catalysing EUR 3.8 billion in private sector funding and saving 2.2 million ton of CO<sub>2</sub>eq each year. The initial EU contribution to CIO is EUR 30.7 million. In 2021, an additional EU contribution of EUR 57.5 million was made to Climate Investor One for an Energy Efficiency Initiative (CIO-EEI) to help unlock additional RE projects thanks to energy efficiency improvements of grid infrastructure and better integration of renewable energy. CIO-EEI provides development and construction stage financing to power system equipment with a view to reduce system losses of generated renewable energy and improve the utilisation of renewable energy generation facilities connected to the grid.

The targeted leverage effect is 9. The achieved leverage is 25.

#### 4. Transferability and Convertibility Facility

The EU contribution of EUR 26.9 million is dedicated to cover transferability and convertibility risks for DFIs investing in Independent Power Producers (IPPs) in lower income countries particularly vulnerable for such risks. The Facility allows for the provision of a dedicated transfer and convertibility instrument for eligible Independent Power Producers (IPPs) during an inconvertibility and non-transferability event.

Transferability and convertibility risks represent a significant barrier to private financing of renewable energy projects as electricity is sold in local currency while power plants are typically financed in hard currency. During an inconvertibility or non-transferability event, IPPs might default on hard-currency payments because they are unable to convert local currency. The purpose of the facility is to mitigate these risks by financing a debt service reserve account available to lending DFIs to cover payment of scheduled interest and principal debt. The facility targets greenfield on-grid IPPs with a minimum installed capacity 10 MW in regions eligible under the Development Cooperation Instrument (DCI).

The Delegation Agreement has been signed in December 2017 and the financial instrument has been running since January 2018. The signature of any new operations would have to be finalised by 27/12/2023, while the contract end date of activities is the 31/12/2029.

Proparco is the entrusted entity for the implementation of the financial instrument.

At the end of 2024, there were no operations signed. It is expected that the T&C Facility will be terminated during 2025 so a partial year of costs will be incurred. This will be outlined in the Final Report.

#### 5. Facility for Energy Inclusion (FEI)

The EU contribution of EUR 40.2 million provides long-term debt through finance structures. It is a debt financing platform for small-scale renewable energy projects – off-grid solar, small scale IPPs and mini-grids – with the objectives of aggregating capital, structuring bankable projects and accelerating their delivery as to increase access to clean energy across Africa while supporting the transition to low-carbon development pathways. FEI has two investment windows with different added value:

- FEI Off-grid window (OGEF): it supports pay-as-you-go solar home system companies by offering a flexible, pragmatic and context driven approach to transaction structuring, provides local currency options to reduce risk for borrowers and their customers, and help create lasting local

capital markets participation in the sector. OGEF also provides technical assistance to companies to support market development.

- FEI On-grid (OGEN): it supports small-scale Independent Power Producers (IPPs), mini-grids and captive power projects by providing various debt products, including corporate and project loans, construction/bridge loans and mezzanine finance, in both hard and local currencies. Focusing on smaller facilities it envisages bringing electricity to smaller countries or regions that are not adequately serviced by the main grid.

The Delegation Agreement was signed in December 2018 and the financial instrument has been running since January 2019 and the contract end date of activities is the 31/12/2034. Note that the FEI/ONGRID lifetime has been extended by two years and FEI/OFFGRID fund life ends in 2036.

The African Development Bank (AfDB) is the entrusted entity for the implementation of the financial instrument.

- FEI on-grid window: Small-scale renewable IPPs, mini-grids and captive power projects (capital expenditures of less than USD 30 million and a capacity of <25MW). Project finance structures can access senior and mezzanine loans between USD 2 and 20 million in USD, EUR or local currency, and with a tenor up to 12-15 years. The life of the facility is 15 years, with a 7-year investment period. Target number of covered operations 20-30 investments. Final equity closed in 2020 included USD 145 million. In addition, the window raised USD 166 million in debt facilities. The Commission provided an equity contribution of EUR 25 million.
- FEI off-grid window: Pay-as-you-go solar home system companies (PAYGO) and other innovative energy access distribution companies through lending to corporates and SPVs. Short-tenor debt instruments of 2-5 years for working capital, consumer finance and securitisation. Debt instruments typically range from USD 2 million to USD 10 million in USD or local currency with foreign exchange risk hedging. The proposed facility life is up to 10 years with scope for two one-year extensions. This window also includes a TAF of EUR 1.6 million financed by the Commission. Target number of covered operations: 15-20. Final close included USD 58.6 million in equity and USD 56.7 million debt facilities. The Commission provided an equity contribution of EUR 13 million.

The targeted leverage effect is 5 and the leverage achieved so far is 12.7.

Some of the implementation challenges include finding deals that are fully compliant with EU financial regulation (avoiding AML listed countries). Also, the COVID-19 pandemic has challenged the implementation of the FEI OGEF fund.

## 6. Digital Energy Facility (DEF) for the promotion of energy transition and energy access

The DEF is dedicated to support the modernisation and digitalisation of the energy sector, encourage innovative business models and the long-term sustainability of energy systems. The PAGODA FI signed in December 2019 focuses on contingent debt financing and related non autonomous technical assistance for a total of EUR 4.96 million. Thanks to the financing of digital innovation projects and products, the facility aims to support the integration of renewable energy sources into the grid, increase energy access and improve the performance of power utilities.

The EUR 23.5 million investment for the DEF was reinforced in 2024 by an additional EUR 1.3 million through a component of the new Digital and Green Innovation (DGI) Action, a project in the Team Europe approach stemming from the D4D Hub Digital & Green Working Group. This brings the total EU contribution for the DEF objectives to EUR 24.8 million.

The financial instrument is deployed through one Financial Intermediary, Investisseurs & Partenaires, selected by AFD to source eligible operations for contingent debt financing. Such financing, with a maximum investment per project of EUR 500,000 as per the last addendum of June 2024 (previously

< EUR 300,000), aims to benefit approximately 10 companies and will address the specific needs of energy access companies to experiment and scale up access to innovative energy services or products. Few financial institutions and accelerators cover the financial needs at this stage of development of innovations. The investment criteria impact on economic development, development stage of the access to energy concept, availability of co-financing, among others. Two operations were approved in 2023, two new operations were signed in 2024, and three others were initially approved by the seed committee in this same year. Several more are on the track to be signed.

AFD is the entrusted entity for the implementation of the financial instrument.

The financial instrument has been running since December 2019, when the Delegation Agreement with AFD was signed. The end date of activities is the 22/12/2034.

DEF altogether aims to reach up to 50 companies and public utilities, 10 MW of addition renewable energy capacity, 100,000 people with new or improved access to electricity and 30,000 tCO<sub>2</sub>eq avoided every year, as per the updated results framework of June 2024. The project started in 2020, and the financial instrument (contingent debt component) has started to be deployed in 2023.

The targeted leverage effect is 0.81.

## 7. SPARK+ Africa Fund

The EU contribution of EUR 10.348 million is an investment into the Spark+ Africa Fund, which is currently EUR 56.3 million in total size (at exchange rate May 2025). It is to be invested on the Spark+ Africa Fund, the first impact investment fund dedicated to Clean Cooking. It is managed by Enabling Capital and supported by a technical assistance of the Clean Cooking Alliance. The Fund finances clean, efficient, and modern cooking solutions in developing markets for rural, peri-urban and urban communities in Sub-Saharan Africa.

Access to clean cooking is a critical development milestone and can reduce preventable deaths, improve health and enhance quality of life for those at the bottom of the pyramid. Investments to achieve access to clean cooking solutions in Sub-Saharan Africa are generally managed by SMEs, which have been historically overlooked by traditional financiers, as they form the “missing middle”.

The Fund mainly invests in long-term debt instruments, and to a lesser degree quasi-equity and equity instruments of USD 0.25-5 million in small and medium size enterprises active in the cooking energy value chain.

The Investment Fund for Developing Countries (IFU) is the entrusted entity for the implementation of the financial instrument. The agreement was signed on the 22 of December 2021. IFU invested DKK 33 million (approximately EUR 4.5 million) in Spark+ during the fund’s first closing in the first quarter of 2021, which raised a total of EUR 36 million at that stage. While the investments of the Fund started straight after the first close, the implementation period of the EU contribution started on the 15th of July 2022 and will conclude on the 14 of July 2029.

The envisaged tenor of the Fund in 2021 was seven years with the possibility of two one-year extensions, with an investment period of up to four years. The EU contribution to the fund will improve the accessibility, availability, and affordability of clean cooking solutions in the underserved market. Since the start of operations in 2021, Spark+ portfolio reached 9 ongoing operations in Sub-Saharan Africa, amounting to a total of EUR 15.4 million of accumulated investments. At the end of the fund, the Action will support 30 companies, benefitting 15.6 million people of which 5.6 million living below poverty line, while saving nearly 16 million tCO<sub>2</sub>eq in GHG emissions.

The targeted leverage effect is 5.63. The leverage achieved is 1.54.



## **Sustainable socio-economic development through clean and efficient energy solution initiatives: EUR 104.974 million**

### **1. Demand side management, social infrastructure renewables and energy efficiency (DESIREE)**

The main objective of the DESIREE programme, implemented by the European Investment Bank (EIB), is to foster sustainable and inclusive socio-economic growth in selected partner countries and develop sustainable business models for the provision of clean, climate-friendly and energy efficient solutions. The ambition is to deliver meaningful impact and progress (higher electrification rates, reduction of emissions, diversification of the energy mix, equal access to energy, efficient use of energy), showcase innovative and scalable solutions and demonstrate actual impact on the ground.

DESIREE aims to support the establishment and operationalisation of super energy service companies, to stimulate the uptake of demand side management measures through utility companies in order to implement domestic and commercial consumer energy efficiency measures, and to de-risking approaches and scale private sector business models for the sustainable electrification of social infrastructure. It intends to demonstrate innovative or sustainable approaches which can be scaled-up or replicated elsewhere in low and middle-income countries in Africa, Asia, and Latin America.

The Contribution Agreement was signed in December 2020 and amended in 2021, and the end date of activities is 20/10/2029. The amendment included the Operational Guidelines for the Investment Grant Window. The Operational Guidelines for the Financial Instrument Window, on the other hand, were negotiated for a long time and are not finalised.

The total EU budget amounts to EUR 104.97 million, allocated across technical assistance, programme management, and a blend of investment grants and financial instruments. The EIB aims to blend the programme resources with its own financing contribution for EUR 200 million, mostly loans. An additional EUR 400 million financing from third parties is considered a reasonable estimate.

In absence of financial instruments, the programme has been running underpinned by the technical assistance and the investment grant components, blended with EIB loans. However, since the programme is suffering of meaningful delay, and anticipating complexities in finalising the long-time Financial Instrument Window negotiations, the financial structure was simplified in March 2025 by transferring the funding initially allocated to the financial instrument window to the grants' investment window. This shift will simplify the programme's structure and will expedite its implementation, ensuring that the objectives are met more swiftly and effectively. Noteworthy, the overall programme amount remains unchanged and the envisaged budget swap happens between existing modalities within the original contract, without limiting the preliminary indication of the bank contribution.

The initially envisaged targeted leverage effect of 6.9 will be reviewed in light of the budget swap.

## **ENVIRONMENT (total funds: EUR 30.4 million)**

### **Water for prosperity, regional stability, and resilient ecosystems initiative: EUR 30.4 million**

#### **1. Climate Investor 2 (CI2)**

Climate Investor Two (CI2) is Climate Fund Managers (CFM) second blended finance facility, delivering water, sanitation, and oceans infrastructure projects in emerging markets. FMO is the entrusted entity for the implementation of the financial instrument. The agreement was signed in December 2020. The government of the Netherlands, through the Dutch Fund for Climate and Development (DFCD), has provided EUR 75 million in finance to anchor CI2. In 2022, the Green Climate Fund committed USD 145 million in donor funding to both Construction Equity Fund and Development Fund. The EU contributed with EUR 19.7 million in 2021 and an additional contribution of EUR 10.7 million in 2024, further enhancing efforts to increase climate resilience in the Philippines and solidifying CFM's relationship with the EC. The EC is currently the third largest donor of the fund. The contract end date of activities is the 30/06/2041.



In March 2025, CI2 reached the final close with USD 1.05 billion marking a significant milestone in the evolution of climate finance and highlighting the important role of blended finance in the journey toward sustainability.

Having achieved proof of concept with CIO, CI2 opens the way for transformational impact in a sector dominated by public funding and frequently facing financing shortfalls. As a cradle-to-grave finance facility, CI2 seeks to mobilise blended finance provided by donors and the commercial sector with its additional recycling feature to maximise impact and reduce risk in markets where development is needed, and climate change solutions can have a significant and sustainable effect. CI2's overarching focus is to attract private finance for low and lower-middle income countries, on the back of enabling public sector funding. CI2's encompassing whole-of-life financing solution provides an attractive alternative to the current market practice of structuring project finance for water supply, sanitation, and oceans infrastructure projects. CI2's approach targets market failures through two key pillars: (1) speed of development, construction, and implementation, and (2) innovation through market development where existing models do not include private finance.

CI2 fund structure is characterised by one Development Fund (DF) and a Construction Equity Fund (CEF). The Development Fund (DF) provides early-stage development funding to projects and the Construction Equity Fund (CEF) provides large-scale equity finance to construct projects and bring them into operations. Over the life of CI2 CFM expects to make an average of 30 investments in the following sectors bulk water supply, water distribution, wastewater and ecosystems and oceans.

The implementation of CI2 continues to navigate a complex global environment characterised by geopolitical tensions, high inflation, and interest rate volatility, which have influenced investor sentiment and the availability of financing in key markets. Despite these challenges, CI2 has demonstrated resilience, successfully advancing its investment strategy with geographically and technologically diverse assets.

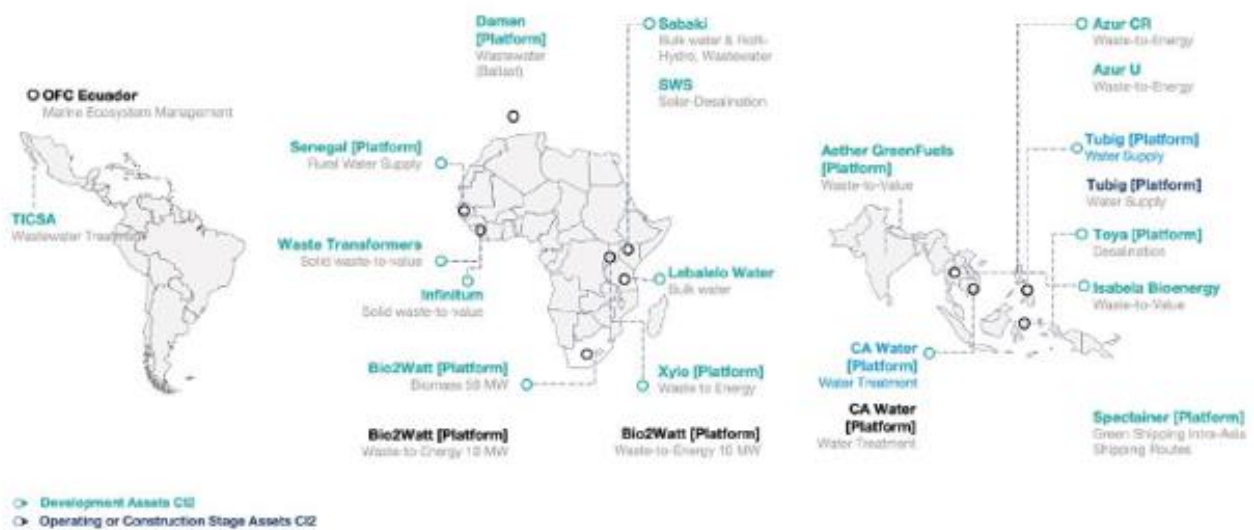
In 2024, CEF 2 made two investments –acquiring a minority stake in Tubig in the Philippines and committing USD 24 million to CA Water in Vietnam– both aimed at expanding access to clean water and driving long-term sustainable development. Additionally, five development funding agreements were signed across multiple regions, further strengthening CI2's climate mitigation and adaptation objectives through water and waste-to-value projects. As of the end of 2024, DF2 has contracted to provide development funding to 9 Project Assets in Africa, 8 in Asia, and 1 project in Latin America. The scope of these projects continues to be diverse, including initiatives such as large-scale waste-to-value developments, bulk water supply solutions, and innovative financing structures like debt-for-nature swaps. Notably, DF2 has supported projects advancing clean water access, waste-to-energy conversion, and sustainable infrastructure development.

Looking ahead, DF2 remains focused on advancing climate-focused infrastructure development across emerging markets while strategically positioning its projects for long-term financial and environmental sustainability.

While investor caution persisted throughout 2024, the fundraising landscape showed signs of improvement, enabling CFM to make significant progress, securing capital commitments from both public and private investors.

The project's targeted leverage effect is 48, and the achieved leverage in this third year of implementation is 13.88.

**Figure 1: CI2 Portfolio Overview in 2024**



## AGRICULTURE (total funds: EUR 89.6 million)

### AgriFI initiative - Inclusive and sustainable value chains and food fortification: EUR 89.6 million

Under the agriFI initiative, three blended finance instruments were contracted. All three of these seek to increase private investment in agriculture through the promotion of sustainable value chains, contributing to the sustainable growth of our partner countries. The three instruments focus on different segments of the market.

#### 1. African Agriculture Trade and Investment Fund (AATIF)

The EU contribution of EUR 30.6 million is dedicated to cover the first loss equity of the AATIF. Its duration is 10 years. This addresses the EUR 5-15 million investment bracket, through both direct and indirect investments, aimed at promoting smallholder livelihoods. The larger ticket size keeps transaction costs lower, and hence focusses on larger off-takers. AATIF is an innovative public-private partnership dedicated to uplift Africa's agricultural potential for the benefit of the poor. The Fund aims at improving food security and providing additional employment and income to farmers, entrepreneurs, and labourers alike by investing patiently and responsibly in efficient local value chains.

The financial instrument has been running since December 2017, when the Delegation Agreement was signed. The contract end date of activities is the 18/12/2027.

KfW is the entrusted entity for the implementation of the financial instrument.

There were no changes to the capital structure of the AATIF. However, a major update was the transition of the investment advisory mandate to Cygnum Capital who became the official investment advisor to the fund effective 1 August 2024. Cygnum Capital is an independent investment bank and asset manager operating across frontier and emerging markets.

The strong performance from 2023 has continued into the current financial year. The AATIF remaining profitable, driven by healthy interest income, as well as by recoveries that were received from non-performing positions. Liquidity remained high and well above the necessary amount to cover operating expenses.

The EU contribution has allowed the AATIF to mobilise further private sector contributions around four times the EU contribution to date. By the end of the 2024, the AATIF portfolio had 21 active borrowers. The total principal outstanding was USD 179.5 million, and total committed for active portfolio was USD 261.8

million. The average post tax yield of the current portfolio stands at 6.8%, with an average post tax yield since fund inception of 7.1%.

The fund signed two new investments, one with Corisbank in Burkina Faso, a bank with a strong focus on SMEs and a large agricultural portfolio as well as one with JKCC, a fledgling Ugandan coffee trading company.

Furthermore, the Technical Assistance Facility approved 10 new projects and 8 rapid appraisal studies. At the end of 2024, the TA Facility Manager continued to oversee 38 ongoing TA projects and Rapid Appraisal studies. Amongst others, these include capacity-building projects, such as strengthening farmer groups in Zambia.

The focus for the financial year 2024/25 will continue to be on agribusinesses involved in processing, which, despite the challenges they face, are still expanding, as well as on financial institutions that have existing outreach to agribusinesses and are interested in growing their agricultural footprint.

The targeted leverage effect is 5.10 and the actual achieved leverage is 6.43.

## 2. HURUMA Fund

The EU contribution of EUR 19.3 million is invested in the project. Huruma is an Impact Investment Fund set up with COFIDES as financial institution which aims to address the traditional constraints of agriculture finance and the financing needs of smallholders and underserved farmers. The Fund invests both in Financial Institutions that have an agricultural portfolio and in Producer Organisations and Agriculture Value Chain SMEs that directly or indirectly work with excluded farmers. The total size of the Fund is of EUR 120 million and consists of two classes of shares. A first loss class to which the EU contributes with EUR 10 million through a contract with COFIDES, and a senior class, in which private investors contribute with EUR 90 million (including EUR 1 million from COFIDES). AECID/FONPRODE is contributing with EUR 20 million through a side vehicle. The aim of Huruma is to allow its investees to increase their agricultural portfolio and provide access to finance to more smallholders.

Along with the investment, the Fund will also support investees with Technical Assistance, focusing on different areas according to the specific partner institution. EU is contributing to the TA with up to EUR 8.6 million, alongside the Fund itself.

The financial instrument has been running since October 2019, when the Contribution Agreement was signed. The contract end date of activities is the 30/10/2029. COFIDES is the entrusted entity for the implementation of the financial instrument.

Regarding Technical Assistance, the Technical Assistance Facility (TAF) legal setup was completed in 2021 and the TA Steering Committee (a body created to provide strategic guidance for the implementation of the Facility) started its work. Since then, twelve TASC meetings have been held. To date, 10 TA projects have been approved, of which two correspond to the project diagnosis. Eight projects have been tendered and awarded, but one has been cancelled and another is being redefined. Four are concluded, another four are under implementation and one is being tendered and is expected to be awarded in 2025 (after completion of the project diagnosis). It is estimated that another six TA projects will be approved in the course of 2025 (two of which will be the implementation of the results of the earlier project diagnosis and one is the project diagnosis itself).

Huruma is the biggest social Fund in Spain and the first of its kind. The Fund provides debt financing (minimum 70% of the total size of the Fund) and equity investment (up to 30%). The ticket size ranges between EUR 1 and 10 million. It has a global geographical scope, but focuses on Latin America, Asia, and Sub-Saharan Africa.

Up until the end of 2024, the total outstanding portfolio amounted to EUR 82.77 M (59% of the approved portfolio, which is EUR 140.38 M) for a total of 37 deals with 18 investees in 10 countries (Bolivia, Brazil, Ecuador, India (equity investments), Mexico, Nigeria, Panama, Paraguay, Peru, and Senegal).

At 31/12/24 the financing mobilised from the private sector has been superior to what was initially expected, thereby increasing the multiplier effect to 9.26 (instead of the targeted 6.22).

The targeted leverage effect is 1.61 and the actual achieved leverage is 2.29.

### 3. EDFI AgriFI Facility

The initial Global window was launched in 2018 with an initial budget of EUR 39 million and an initial duration of 12 years. The facility was extended to 15 years and the budget increased to EUR 39.7 million. Its geographical scope is global, but AgriFI invests predominantly in low and lower-middle income countries and has a specific but non-exclusive focus on Sub-Saharan Africa. The aim is to provide long-term finance and/or working capital needs in the form of debt or equity of between EUR 0.5-5 million, on commercially oriented terms, to MSMEs active in agri-food value chains and involving smallholder farmers. About EUR 2 million of TA is included to be provided to the beneficiaries to accompany the investment.

Following the success of the first Global window, 4 other specific windows were added in 2021 (amounting to EUR 80 million), thereby bringing AgriFI's total means available to EUR 120 million:

- A regional window for ACP countries (EUR 50 million from the 11th EDF Intra-ACP; Dec 2021-Feb 2037): focusing on 11 value chains, but not exclusively.
- A Ghana window (EUR 10 million from the 11th EDF; Jan 2021 – June 2034): focusing on the Upper-West region.
- A Sri Lanka window (EUR 8 million from the 11th EDF; Dec 2021-Dec 2035): focusing on organic farming (a high priority of the government) and on cold chains and other food processing solutions (to reduce post-harvest loss and food waste as part of the objective under the previous MFF agriculture modernisation and new MFF circular economy/waste management)
- A Tanzania window (EUR 12 million from the 11th EDF; Dec 2021-Sept 2033): focusing mainly on tea, coffee, and horticulture.

All those windows also include a TA component.

The financial instrument has been running since January 2018, when the Delegation Agreement was signed. The end date of operations for the initial global window financial instrument is 31/12/2032.

The financial instrument is fully financed by the EU and managed by the EDFI Management Company (EDFI MC), which signed a sub-delegation agreement with FMO in September 2018.

The added value of this initiative resides in the fact that, being fully financed by the EU:

- (i) the EU is a member of the Investment Committee (made up of representatives of the European DFIs) and has a veto right and;
- (ii) AgriFI can take higher risks than other DFIs and private investors on their own, so it can serve as a de-risking tool or as a market developer, thereby leveraging further DFI/private investors' support. Indeed, agriFI can invest in companies that need financing to grow but they are not big enough to obtain financing from local commercial bank or international investors; provide smaller tickets; provide longer term loans; etc. The "blending" occurs therefore at the level of the individual investment, but maybe not at the same time.

Twenty-one investments to 19 counterparties have been made as of end of December 2024 (10 under the Global window, 7 under ACP, 1 under Tanzania, 2 under Tanzania and 1 under Ghana), representing EUR 52.7 million contractually committed and include:

- 4 Impact Funds: two funds working with smallholders at a global scale; one investment vehicle investing in rural MFIs serving fragile populations worldwide; and one gender-lens private equity fund in Uganda focused on farmers (ACP window);
- 5 Financial Institutions: one agricultural MFI in Myanmar; one MFI serving farmers and rural MSMEs in Ghana (Ghana window); a bank in Malawi; an MFI in rural Zambia (both with ACP) and a non-banking financial institution in Sri Lanka
- 11 SME's: a dairy cooperative in Senegal; a private company in Nigeria offering a whole set of services to farmers; a private company in Kenya processing coconuts; a private company distributing fresh products in Tanzania (invested both with Global and Tanzania); a dried mango and cashew nut processing company in Burkina Faso; a maize processor in Burkina Faso; a private company providing seeds and services to smallholders in Zambia; an agri-tech in Kenya; a cashew nut processor in Togo; a trading SME active in Zanzibar.

As of the end of 2024 across all investments made by the Global Window, the additional financing mobilised at time of investment amounts to EUR 84.8 million, which increases by EUR 58.4 million when including the financing mobilised in subsequent years after investment. This corresponds to leverage ratios of 3.05 (at time of investment).

It is expected that by the end of 2025, all the funds foreseen for the Global window (EUR ~29 million) will be fully committed, which will represent around 11 investments in total. Investments for the other 4 windows will continue to be sourced.

As regards to the Financial Instruments for all 5 Windows, investing activities picked up speed in 2022 (after a relatively slower pace of investments due to the COVID-19 pandemic and the time-intensive work on 4 new additional windows). In 2024, 5 new investments were added to the portfolio for a total of EUR 52.7 million committed and several more in the contracting stage.

TA dedicated to the investees was not yet implemented in 2023, but the EDFI MC Board approved the policy relative to the concept, implementation guidelines and process of the Technical Assistance Product (TAP) in March 2023. As a result, AgriFI focused on implementing the internal processes as required for the TA roll-out, hiring the TA Specialist as well as preparing and launching the tender for the TA cooperation agreement. Several technical assistance interventions have been launched in 2024.

## **WOMEN'S ECONOMIC EMPOWERMENT (total funds: EUR 9 million)**

### **Women's Economic Empowerment Initiative (WWE): EUR 9 million<sup>167</sup>**

#### **1. Women's Financial Inclusion Facility (WFIF)**

The EU contribution of EUR 9 million is dedicated to first-loss risk capital contribution, jointly with other development capital providers and private investors, and technical assistance component.

The Women's Financial Inclusion Facility ("WFIF") consists of Women's World Banking Capital Partners II ("WWBCP II" or the "Fund II") and the Women's World Banking Technical Assistance Programme ("TAP"). The WFIF invests in emerging market financial service providers that incorporate low-income women into their client base, expand gender diversity within their management teams, and utilise new technology solutions to enhance customer engagement. The EU funding will be used for investments in Sub-Saharan Africa. The Technical Assistance Programme is implemented as an independent action attached to WWBCP II.

<sup>167</sup> This amount does not include the additional EUR 1 million contribution to the Women's Economic empowerment Initiative from an EU Parliament budget line.

The primary purpose of the EU contribution is to crowd commercial investors into the fund by de-risking what might otherwise be unacceptable risks from two types of commercial investors:

- (i) investors new to either gender-lens investing or inclusive finance investing, who would see the first-loss contribution as both an endorsement and risk mitigation, and
- (ii) investors who would potentially invest in the fund, but would restrict its ability to invest some portion of the Fund's capital in earlier-stage (e.g. "Series A" or "Series B"), innovative solutions providers and/or World Bank-defined low-income countries, including fragile states.

The financial instrument has been running since 2018, when the Delegation Agreement was signed. The signature of any new operations under the Agreement had to be finalised by 27/03/2020, while the contract end date of activities is the 26/09/2033.

KfW is the entrusted entity for the implementation of the financial instrument.

The WFIF is reaching low-income women with a wide range of products and services created to women and as such, creating a new market for the investee financial institutions. The technical assistance is used to finance gender assessments conducted at the organisational level and market/customer level, which will result in a gender action plan for each investee financial institution to close the gap on gender equality among the company's clients and in its employee base.

The fund has invested into 12 financial institutions with potential and appetite to better reach and serve women across the pipeline countries. The Fund had its first closing March 2020 at size of USD 50 million and over the course of three subsequent closings, reached a total fund size of USD 103.5 million for its final closure in March 2022. The fund has concluded investments into 12 local financial service providers.

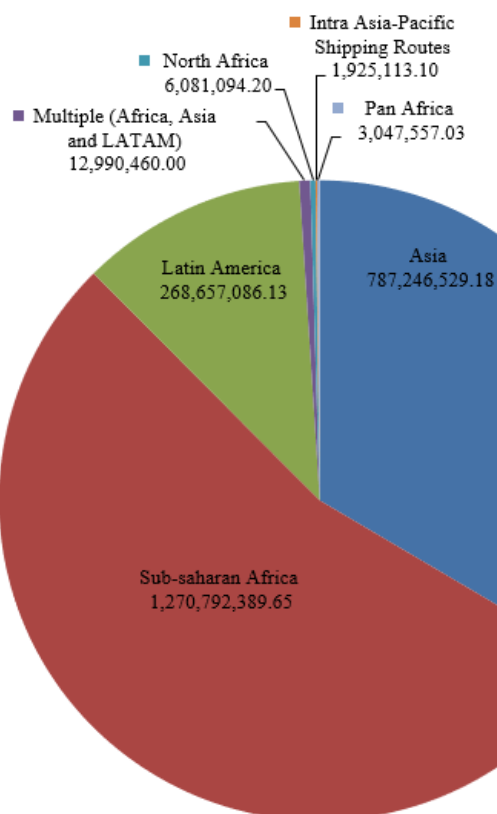
These are for instance in housing finance in India, agricultural insurance in Sub-Saharan Africa (in particular Kenya, Nigeria and Zambia), microfinance in Colombia, peer-to-peer microfinance in Indonesia, rural microfinance in Uganda fintech business providing SMEs with short term loans in South Africa and digital financial service company serving MSMEs in Ghana, Uganda and Kenya. The technical assistance has been used for conducting gender assessments for the investee companies and for creating gender action plans to improve their gender performance.

The EU participation as the anchor investor has been instrumental in leveraging important additional public and private investments to the fund as well as for financing the technical assistance activities.

The targeted leverage effect is 7.25. The achieved leverage is 7.54.

## Operational Performance

### Geographical diversification



### Performance, financing and investments

Key figures (EUR)	Actual	Target
EU Contribution committed	407,171,731.28	574,744,946.00
Leverage effect	5.77	5.95
Multiplier effect	9.69	10.79
Operations	223	248
Financing provided to final recipients	2,350,740,229.29	3,419,993,720.31
Number of final recipients	329,505	181,126
Investments made by final recipients due to the received financing	3,946,221,475.16	6,203,687,456.00

### Financial Information

Financial Information (EUR)	Thematic blending (ENERGY, FOOD, ENV, HUM)		
Type of instrument	Blending		
Year of inception	From 2016 onwards		
Implementing Partner	AFD, Cofides, FMO, KfW, Proparco, AfDB, IFU		
	Notes	2024	All years
<b>EU Contribution</b>			
Budgetary commitments		10,701,600.00	469,770,546.26



Budgetary payments		32,011,578.70	407,171,732.48
<b>Reflows</b>	<b>(1)</b>		
Total reflows entered into the budget, of which:		8,634,358.55	11,337,282.55
<i>to the general budget</i>		8,634,358.55	11,337,282.55
<i>returned to be used</i>		0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	6,650,073.80
<b>Management fees and other charges</b>			
Administrative fees		470,745.60	2,828,225.01
Incentive fees		0.00	3.00
Treasury management fees		0.00	0.00
Other charges		1,281,372.37	3,694,003.25
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		1,956,936.80	13,506,799.03
Net treasury result (including interest) (gains (+) / losses (-))		1,486,546.37	4,657,014.42
Net FX gains (+) / losses (-)		6,918,033.24	3,524,187.35
Other revenues		12,167.41	606,584.11
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>			
Maximum financial risk exposure		290,639,751.88	239,550,886.98
Value of equity investments		171,116,517.71	148,280,294.75
Value of loans		31,964,957.66	31,095,161.39
Financial liabilities and provisions		4,233,849.32	2,856,974.23
<b>Assets under treasury management</b>			
Balance in the fiduciary bank account (including short term deposits <3months)		55,807,633.49	48,539,121.11
Other financial assets (including short term deposits >3months)		6,354,528.46	13,852,611.63

## Notes to the financial information

(1) The NDICI Regulation does not set out assignment of the reflows from the predecessor instruments to NDICI. Consequently, these reflows stemming from pre-2021 financial instruments have been recovered and sent back to the general budget.

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

N/A



## Financial information per implementing partner and instrument

EUR

Implementing Partner			AFD	AFDB	Cofides	FMO	IFU	KfW	PROPARCO	TOTAL
Budgetary commitments		2024	-	-	-	10,701,600.00	-	-	-	<b>10,701,600.00</b>
		Aggregated	23,500,000.00	40,242,000.00	19,300,000.00	284,246,312.26	10,348,000.00	40,600,000.00	51,534,234.00	<b>469,770,546.26</b>
Budgetary payments		2024	5,063,384.00	-	701,944.70	24,338,964.00	1,707,286.00	200,000.00	-	<b>32,011,578.70</b>
		Aggregated	17,005,203.00	35,042,000.00	13,086,573.28	261,427,176.20	10,139,715.00	39,600,000.00	30,871,065.00	<b>407,171,732.48</b>
Amounts committed by the Implementing Partner	Grants (including TA)	2024	-	-	1,991,892.24	2,667,896.99	-	-	-	<b>4,659,789.23</b>
		Aggregated	-	612,000.00	4,913,478.97	7,258,770.24	-	3,000,000.00	-	<b>15,784,249.21</b>
	Financial instruments	2024	-	7,272,554.71	929,380.43	3,386,486.89	1,567,571.00	-	-	<b>13,155,993.03</b>
		Aggregated	-	29,867,554.71	9,720,452.35	155,270,478.85	10,000,000.00	37,600,000.00	-	<b>242,458,485.91</b>
	Own resources	2024	-	7,723,854.29	94,200.00	-	2,395,022.62	-	-	<b>10,213,076.91</b>
		Aggregated	-	57,975,134.29	973,000.00	75,276,621.82	4,500,000.00	99,500,000.00	-	<b>238,224,756.11</b>
Administrative expenditure	Management fees	2024	8,000.00	24,587.14	30,000.00	236,971.00	46,285.71	69,738.00	55,163.75	<b>470,745.60</b>
		Aggregated	40,666.67	148,177.56	152,500.00	1,422,473.48	139,782.05	525,148.00	399,480.25	<b>2,828,228.01</b>
	Other charges	2024	111,703.00	3,585.58	1,043,782.67	13,200.00	33.50	109,067.62	-	<b>1,281,372.37</b>
		Aggregated	281,039.00	3,585.10	1,797,091.25	931,139.58	67.05	681,081.27	-	<b>3,694,003.25</b>
	Total	2024	119,703.00	28,172.72	1,073,782.67	250,171.00	46,319.21	178,805.62	55,163.75	<b>1,752,117.97</b>
		Aggregated	321,705.67	151,762.66	1,949,591.25	2,353,613.06	139,849.10	1,206,229.27	399,480.25	<b>6,522,231.26</b>

Financial Information (EUR)	Africa Agriculture Trade and Investment Fund S.A. SICAF-SIV		Africa Renewable Energy Scale Up Facility - Guarantee Fund		Agriculture Financing Initiative		Climate Investor One		Climate Investor One - Energy Efficiency Initiative		Climate Investor Two	
Type of instrument	Fund		Guarantee + TA		Equity & loans		Equity		Fund		Equity	
Year of inception	2018		2016		2017		2017		2021		2021	
Implementing Partner	KfW		Proparco		FMO		FMO		FMO		FMO	
	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>												
Budgetary commitments	0.00	30,600,000.00	0.00	24,650,000.00	0.00	39,700,000.00	0.00	30,700,000.00	0.00	57,500,000.00	10,701,600.00	30,401,600.00
Budgetary payments	0.00	30,600,000.00	0.00	14,085,100.00	3,196,262.38	32,706,262.38	0.00	30,700,000.00	115,000.00	56,022,500.00	5,092,043.39	22,188,754.48
<b>Reflows</b>												
Total reflows entered into the budget, of which:	0.00	0.00	0.00	0.00	607,541.60	1,784,487.60	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	0.00	0.00	607,541.60	1,784,487.60	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>												
<b>Guarantees</b>												
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>												
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>												
Write offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>												
Administrative fees	60,000.00	425,000.00	13,333.33	106,666.99	35,692.00	294,461.59	0.00	0.00	115,000.00	494,999.82	45,369.00	128,462.39
Incentive fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	0.00	0.00	0.00	0.00	13,200.00	13,200.00	0.00	0.00	0.00	0.00	0.00	72.70
<b>Revenues</b>												
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	0.00	0.00	876,266.39	3,315,168.89	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	14,700.57	270,302.41	0.00	0.00	-764.98	-82,519.28	892.00	358,568.07	15.00	15.00	3.00	6.00
Net FX gains (+) / losses (-)	17,561.11	450,912.43	0.00	0.00	705,002.50	531,625.18	154,437.00	-53,379.51	1,735,502.00	367,897.00	582,034.00	-149,296.75
Other revenues	0.00	0.00	0.00	0.00	2,148.62	121,944.49	0.00	0.00	0.00	0.00	0.00	148.75
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>												
Maximum financial risk exposure	29,301,989.35	24,926,881.64	6,501,187.12	6,094,883.07	20,413,966.16	21,651,305.18	34,552,513.09	32,485,616.09	58,139,614.00	54,661,760.00	18,377,594.00	16,325,583.00
Value of equity investments	29,301,989.35	24,926,881.64	0.00	0.00	4,976,907.93	4,574,717.40	31,106,078.09	31,057,170.09	32,291,703.00	25,063,763.00	8,250,122.00	5,630,176.00
Value of loans	0.00	0.00	0.00	0.00	14,465,095.81	15,147,854.75	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	0.00	2,320,731.87	1,463,073.04	439,193.68	404,366.52	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>												
Balance in the fiduciary bank account (including short term deposits <3months)	299,572.65	267,310.99	0.00	0.00	4,053,090.32	188,972.85	29,525.00	26,884.00	523.00	477.00	3,799,613.00	115.00
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Financial Information (EUR)	Digital Energy Facility (DEF) for the Promotion of Energy Transition and Energy Access - Seed Financing		Electrification Financing Initiative		Facility for Energy Inclusion (FEI)		HURUMA Fund		The Spark+ Africa Fund		Transferability and Convertibility Facility		Women's Financial Inclusion Facility	
Type of instrument	Contingent debt + TA		Equity & loans		Fund		Fund		Fund		Guarantee		Fund+TAP	
Year of inception	2019		2016		2018		2019		2022		2017		2018	
Implementing Partner	AFD		FMO		AfDB		Cofides		IFU		Proparco		KfW	
	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years	2024	All years
<b>EU Contribution</b>														
Budgetary commitments	0.00	23,500,000.00	0.00	125,944,712.26	0.00	40,242,000.00	0.00	19,300,000.00	0.00	10,348,000.00	0.00	26,884,234.00	0.00	10,000,000.00
Budgetary payments	5,063,384.00	17,005,203.00	15,935,659.45	119,809,659.45	0.00	35,042,000.00	701,943.48	13,086,573.17	1,707,286.00	10,139,715.00	0.00	16,785,965.00	200,000.00	9,000,000.00
<b>Reflows</b>														
Total reflows entered into the budget, of which:	0.00	0.00	8,026,816.95	9,552,794.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>to the general budget</i>	0.00	0.00	8,026,816.95	9,552,794.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>returned to be used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Losses from operations</b>														
<b>Guarantees</b>														
Guarantees called	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Guarantee calls recovered	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Equities</b>														
Realised losses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Loans</b>														
Write offs	0.00	0.00	0.00	6,650,073.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Management fees and other charges</b>														
Administrative fees	8,000.00	40,666.67	40,910.00	504,546.68	24,587.14	148,177.56	30,000.00	152,500.00	46,285.71	139,782.05	41,830.42	292,813.26	9,738.00	100,148.00
Incentive fees	0.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Treasury management fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other charges	111,703.00	281,039.00	0.00	917,866.88	3,585.58	3,585.10	1,043,782.67	1,797,091.25	33.50	67.05	0.00	0.00	109,067.62	681,081.27
<b>Revenues</b>														
Revenues from operations (Risk remuneration, dividends, realized gains, fees, interests on loans)	0.00	0.00	1,080,670.41	10,191,630.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	0.00	0.00	-1,625.70	-1,780,303.62	662,594.81	4,158,303.93	48,854.00	14,319.81	96,132.00	281,529.18	588,598.45	1,076,600.79	77,147.22	360,192.13
Net FX gains (+) / losses (-)	0.00	0.00	965,811.65	454,302.06	2,236,802.10	1,835,084.69	0.00	0.00	0.00	0.00	0.00	0.00	520,882.88	87,042.25
Other revenues	0.00	0.00	10,018.79	78,203.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	406,287.00
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
<b>Risk exposure</b>														
Maximum financial risk exposure	1,175,000.00	0.00	81,670,310.51	53,204,634.46	23,314,981.92	20,187,626.81	638,758.00	0.00	7,663,368.00	4,098,701.30	0.00	0.00	8,890,469.73	5,913,895.43
Value of equity investments	0.00	0.00	27,089,487.85	29,044,660.82	23,314,981.92	20,187,626.81	638,758.00	0.00	7,663,368.00	4,098,701.30	0.00	0.00	6,483,121.57	3,696,597.69
Value of loans	545,000.00	0.00	16,954,861.85	15,947,306.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Financial liabilities and provisions	0.00	0.00	1,473,923.77	989,534.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Assets under treasury management</b>														
Balance in the fiduciary bank account (including short term deposits <3months)	3,183,406.00	2,024,668.00	22,380,272.39	22,735,921.80	1,778,462.11	93,105.60	1,473,707.51	2,270,754.51	2,354,310.11	4,194,721.11	16,076,600.79	15,488,002.34	378,550.61	1,248,187.91
Other financial assets (including short term deposits >3months)	0.00	0.00	0.00	0.00	6,354,528.46	13,852,611.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Annexes – Detailed list of financial instruments and financial information summary tables

### Annex I – Detailed list of financial instruments included in this report

LIST OF FINANCIAL INSTRUMENTS 41(4) FR REPORT			
	Chapter and Financial Instrument	IP/Managing party	Policy Area
1.1	Connecting Europe Broadband Fund (CEBF) – CEF Equity Instrument	CUBE IM	Infrastructure & Climate Change
1.2	Connecting Europe Facility (CEF) – Debt Instrument	EIB	Infrastructure & Climate Change
1.3	Private Finance for Energy Efficiency Instrument (PF4EE)	EIB	Infrastructure & Climate Change
1.4	Natural Capital Financing Facility (NCFF)	EIB	Infrastructure & Climate Change
1.5	European Energy Efficiency Fund (EEEF)	DWS	Infrastructure & Climate Change
1.6	2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite Fund)	ECFIN	Infrastructure & Climate Change
2.1	Horizon 2020 Loan Services for R&I Facility (InnovFin Debt)	EIB	Research & Innovation
2.2	Risk-Sharing Finance Facility (RSFF) and Pilot guarantee facility for R&I driven SMEs and Small Midcaps (RSI)	EIB	Research & Innovation
3.1.a	Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantee (EaSI-G)	EIF	Social & Education
3.1.b	Employment and Social Innovation Capacity Building Investments (EaSI CBI)	EIF	Social & Education
3.2	Employment and Social Innovation Sub-Fund (EaSI FIS)	EIF	Social & Education
3.3	Erasmus+ Student Loan Guarantee Facility (SLGF)	EIF	Social & Education
4.1	COSME Loan Guarantee Facility (LGF)	EIF	SMEs
4.2	COSME Equity Facility for Growth (EFG)	EIF	SMEs
4.3	Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee)	EIF	SMEs
4.4	Horizon 2020 Equity Facility for R&I (InnovFin Equity)	EIF	SMEs
4.5	European Innovation Council (EIC) Fund	EIB	SMEs
4.6	Cultural and Creative Sectors Guarantee Facility (CCS GF)	EIF	SMEs
4.7	SME Guarantee Facility under CIP (SMEG 2007)	EIF	SMEs
4.8	High Growth and Innovative SME Equity Facility under CIP (GIF)	EIF	SMEs
4.9	SME Initiative	EIF	SMEs
5.1	Enterprise Expansion Fund (ENEF) under the Western Balkans Enterprise Development and Innovation Facility	EIF	External Policies WBIF
5.1	Enterprise Expansion Fund II (ENEF II) under the Western Balkans Enterprise Development and Innovation Facility	EBRD	External Policies WBIF
5.1	Enterprise Innovation Fund (ENIF) under the Western Balkans Enterprise Development and Innovation Facility	EIF	External Policies WBIF
5.1	EU-KfW WB Guarantee Covid-19 Response - Supporting Entrepreneurs and MSMEs to Safeguard Employment	KfW	External Policies WBIF
5.1	European Fund for Southeast Europe (EFSE)	EIF	External Policies WBIF
5.1	Green for Growth Fund (GGF)	KfW	External Policies WBIF
5.1	Guarantee Facility I (GF I) under the Western Balkans Enterprise Development and Innovation Facility	EIF	External Policies WBIF
5.1	Guarantee Facility II (GF II) under Western Balkans Enterprise Development and Innovation Facility	EIF	External Policies WBIF
5.1	GGF II - Promoting Green Lending in the Western Balkans	KfW	External Policies WBIF
5.2	Global Energy Efficiency and Renewable Energy Fund (GEEREF)	EIF	External Policies
5.3	Facility for Euro-Mediterranean Investment and Partnership (FEMIP) – Debt Instrument	EIB	External Policies
5.4	ACP Trust Fund	EIB	External Policies

LIST OF FINANCIAL INSTRUMENTS 41(4) FR REPORT			
Chapter and Financial Instrument		IP/Managing party	Policy Area
5.5	EU support to Ukrainian Micro, Small and Medium-Sized Enterprises (top-up)	BGK	External Policies UIF
6.1	EFSE - EU4Business: Local Currency Lending to SMEs in the Eastern Partnership	KfW	External Policies NIP EAST
6.1	EU4Business Guarantee Facility (previously EIB DCFTA PHASE II)	EIB	External Policies NIP EAST
6.1	EU Support for Ukrainian MSMEs	BGK	External Policies NIP EAST
6.1	EU4Business - the EU Local Currency Partnership Initiative: The European Fund for Southeast Europe (KfW)	KfW	External Policies NIP EAST
6.1	EU-EBRD Local currency	EBRD	External Policies NIP EAST
6.1	European Fund for Southeast Europe (KfW)	KfW	External Policies NIP EAST
6.1	Green for Growth Fund - Extension to Neighbourhood East II (for Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine)	KfW	External Policies NIP EAST
6.1	Green for Growth Fund to the Eastern Neighbourhood Region (EIB)	EIB	External Policies NIP EAST
6.1	Green for Growth Funds L-Shares Georgia (10 MEUR)	KfW	External Policies NIP EAST
6.1	NIP Armenia SME Finance and Advice Facility (EBRD)	EBRD	External Policies NIP EAST
6.1	NIP Deep and Comprehensive Free Trade Area (DCFTA) Facility (EBRD) EAST (MOL-GEO-UKR)	EBRD	External Policies NIP EAST
6.1	NIP Deep and Comprehensive Free Trade Area (DCFTA) Facility (EIB) EAST	EIB	External Policies NIP EAST
6.1	NIP Eastern Partnership SME Finance Facility Phase II (KfW)	KfW	External Policies NIP EAST
6.1	NIP Women in Business (EBRD)	EBRD	External Policies NIP EAST
6.1	NIP Women in Business in EaP Phase II	EBRD	External Policies NIP EAST
6.1	EU Trade and Competitiveness Programme for Egypt and Jordan	EBRD	External Policies NIP SOUTH
6.1	Green for Growth Fund (GGF) - COVID 19-RESPONSE in the Southern Neighbourhood (NIP GGF C-shares Southern Neighbourhood)	KfW	External Policies NIP SOUTH
6.1	MENA Fund for Micro, Small and Medium Enterprises III	KfW	External Policies NIP SOUTH
6.1	NIP EU Trade and Comp. Prog. in Morocco, Tunisia, Egypt & Jordan EIB	EIB	External Policies NIP SOUTH
6.1	NIP MENA Fund for Micro, Small and Medium Enterprises COVID-19 top-up	KfW	External Policies NIP SOUTH
6.1	NIP Risk Capital Facility for Southern Neighbourhood countries (EIB)	EIB	External Policies NIP SOUTH
6.1	NIP SEMED MSME Financial Inclusion Programme (EBRD) SOUTH	EBRD	External Policies NIP SOUTH
6.1	Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD) (KfW)	KfW	External Policies NIP SOUTH
6.1	Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD) II (KfW)	KfW	External Policies NIP SOUTH
6.1	Financial Inclusion Programme West Bank and Gaza Strip	EBRD	External Policies NIP SOUTH
6.1	Palestine Financial Sustainability Initiative Part 1	EIB	External Policies NIP SOUTH
6.1	Social Entrepreneurship Fund (SEF)	KfW	External Policies NIP SOUTH
6.2	AgriFI Country Window for Sri Lanka	FMO	External Policies IFCA & AIF & APIF
6.2	Building Crisis-Resilient SMEs in Mongolia post Covid-19	EBRD	External Policies IFCA & AIF & APIF
6.2	Microfinance Initiative for Asia Debt Fund	KfW	External Policies IFCA & AIF & APIF
6.2	Support for Mongolian Economic Diversification through SME	EBRD	External Policies IFCA & AIF & APIF
6.2	Sustainable private sector in Central Asia	EBRD	External Policies IFCA & AIF & APIF
6.2	The SME Finance Facility for Central Asia - Phase 2	EBRD	External Policies IFCA & AIF & APIF
6.2	Supporting green infrastructure under the ASEAN Catalytic Green Finance Facility (ACGF)	ADB	External Policies IFCA & AIF & APIF
6.2	Kuali Fund India	Cofides	External Policies IFCA & AIF & APIF
6.3	Green MSMEs KfW	KfW	External Policies LAIF & LACIF
6.3	Latin America Investment Facility Eco-Business Fund	KfW	External Policies LAIF & LACIF
6.3	Latin American Green Bond Funds	KfW	External Policies LAIF & LACIF

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Chapter and Financial Instrument		IP/Managing party	Policy Area
6.3	Kuali Fund- Multi Regional LAC	Cofides	External Policies LAIF & LACIF
6.4	Africa Agriculture Trade and Investment Fund S.A. SICAF-SIV	KfW	External Policies Thematic blending
6.4	Africa Renewable Energy Scale Up Facility - Guarantee Fund	Proparco	External Policies Thematic blending
6.4	Agriculture Financing Initiative	FMO	External Policies Thematic blending
6.4	Climate Investor One	FMO	External Policies Thematic blending
6.4	Climate Investor One - Energy Efficiency Initiative	FMO	External Policies Thematic blending
6.4	Climate Investor Two	FMO	External Policies Thematic blending
6.4	Digital Energy Facility (DEF) for the Promotion of Energy Transition and Energy Access - Seed Financing	AFD	External Policies Thematic blending
6.4	Electrification Financing Initiative	FMO	External Policies Thematic blending
6.4	Facility for Energy Inclusion (FEI)	AfDB	External Policies Thematic blending
6.4	HURUMA Fund	Cofides	External Policies Thematic blending
6.4	The Spark+ Africa Fund	IFU	External Policies Thematic blending
6.4	Transferability and Convertibility Facility	Proparco	External Policies Thematic blending
6.4	Women's Financial Inclusion Facility	KfW	External Policies Thematic blending

## Annex II – Summary table – all financial instruments

Financial Information (EUR)	All Financial Instruments	
Implementing Partner/Managing party	All	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	1,060,177,148.91	15,488,703,248.06
Budgetary payments	559,554,051.09	12,452,661,607.81
<b>Reflows</b>		
Total reflows entered into the budget, of which:	216,619,785.60	2,426,938,196.43
<i>to the general budget</i>	6,493,513.48	77,639,469.50
<i>returned to be used</i>	210,126,272.12	2,349,298,726.93
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	444,276,689.19	2,523,804,185.97
Guarantee calls recovered	44,532,740.07	259,126,240.64
<b>Equities</b>		
Realised losses	877,013.00	19,137,402.61
<b>Loans</b>		
Write offs	0.00	6,650,073.80
<b>Management fees and other charges</b>		
Administrative fees	27,713,326.02	409,957,591.03
Incentive fees	17,272,632.00	369,776,264.69
Treasury management fees	2,114,408.23	26,966,179.30
Other charges	17,190,515.96	239,087,798.77
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	51,883,322.91	1,002,520,277.05
Net treasury result (including interest) (gains (+) / losses (-))	177,399,913.17	396,746,963.10
Net FX gains (+) / losses (-)	11,227,089.80	-37,588,408.12
Other revenues	70,811.41	15,553,911.28
	2024	2023
<b>Risk exposure</b>		
Maximum financial risk exposure	7,933,633,992.53	7,862,792,942.80
Value of equity investments	2,996,452,232.83	2,675,089,113.47
Value of loans	73,431,963.09	63,978,689.39
Financial liabilities and provisions	696,502,700.17	777,219,544.93
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	1,795,975,506.33	1,890,644,526.56
Other financial assets (including short term deposits >3months)	3,206,798,006.61	3,503,410,977.26

## Annex III – Summary tables – financial instruments per Implementing Partner/Managing Party

### EIB – European Investment Bank

Managing party	Chapter	Financial Instrument	Policy Area
EIB	1.2	Connecting Europe Facility (CEF) – Debt Instrument	Infrastructure & climate change
	1.3	Private Finance for Energy Efficiency Instrument (PF4EE)	Infrastructure & climate change
	1.4	Natural Capital Financing Facility (NCFF)	Infrastructure & climate change
	2.1	Horizon 2020 Loan Services for R&I Facility (InnovFin Debt)	Research & Innovation
	2.2	Risk-Sharing Finance Facility (RSFF) and Pilot guarantee facility for R&I driven SMEs and Small Midcaps (RSI)	Research & Innovation
	4.5	European Innovation Council (EIC) Fund	SMEs
	5.3	Facility for Euro-Mediterranean Investment and Partnership (FEMIP) – Debt Instrument	External Policies
	5.4	ACP Trust Fund	External Policies
	6.1	EU4Business Guarantee Facility (previously EIB DCFTA PHASE II)	External Policies NIP EAST
	6.1	Green for Growth Fund to the Eastern Neighbourhood Region (EIB)	External Policies NIP EAST
	6.1	NIP Deep and Comprehensive Free Trade Area (DCFTA) Facility (EIB) EAST	External Policies NIP EAST
	6.1	NIP EU Trade and Comp. Prog. in Morocco, Tunisia, Egypt & Jordan EIB	External Policies NIP SOUTH
	6.1	NIP Risk Capital Facility for Southern Neighbourhood countries (EIB)	External Policies NIP SOUTH
	6.1	Palestine Financial Sustainability Initiative Part 1	External Policies NIP SOUTH

Financial Information (EUR)			
Implementing Partner/Managing party		EIB	
		2024	All years
<b>EU Contribution</b>			
Budgetary commitments		990,480,746.85	8,492,143,061.51
Budgetary payments		406,204,694.46	6,245,979,309.47
<b>Reflows</b>			
Total reflows entered into the budget, of which:		91,604,746.70	1,593,903,731.12
	<i>to the general budget</i>	0.00	38,513,578.67
	<i>returned to be used</i>	91,604,746.70	1,555,390,152.45
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		92,740,260.05	509,987,619.15
Guarantee calls recovered		7,413,204.05	66,664,657.49
<b>Equities</b>			
Realised losses		877,013.00	8,675,319.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		25,546,311.29	203,035,426.90
Incentive fees		0.00	84,716,845.00



Treasury management fees	1,034,959.00	16,894,451.07
Other charges	8,126,530.00	189,715,834.55
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	23,980,431.00	732,147,677.30
Net treasury result (including interest) (gains (+) / losses (-))	110,770,209.81	216,554,693.34
Net FX gains (+) / losses (-)	3,348,854.24	4,932,172.89
Other revenues	9,740.00	3,338,288.84
	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>		
Maximum financial risk exposure	4,213,570,015.43	3,782,513,187.25
Value of equity investments	960,779,502.11	685,762,364.25
Value of loans	7,124,877.00	0.00
Financial liabilities and provisions	94,116,210.48	85,734,305.48
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	867,386,856.49	734,983,835.48
Other financial assets (including short term deposits >3months)	2,606,801,554.50	2,765,085,751.79

## EIF – European Investment Fund

Managing party	Chapter	Financial Instrument	Policy Area
EIF	3.1.a	Employment and Social Innovation Microfinance and Social Entrepreneurship Guarantee (EaSI-G)	Social & Education
	3.1.b	Employment and Social Innovation Capacity Building Investments (EaSI CBI)	Social & Education
	3.2	Employment and Social Innovation Sub-Fund (EaSI FIS)	Social & Education
	3.3	Erasmus+ Student Loan Guarantee Facility (SLGF)	Social & Education
	4.1	COSME Loan Guarantee Facility (LGF)	SMEs
	4.2	COSME Equity Facility for Growth (EFG)	SMEs
	4.3	Horizon 2020 SMEs & Small Midcaps R&I Loans Service (InnovFin SME Guarantee)	SMEs
	4.4	Horizon 2020 Equity Facility for R&I (InnovFin Equity)	SMEs
	4.6	Cultural and Creative Sectors Guarantee Facility (CCS GF)	SMEs
	4.7	SME Guarantee Facility under CIP (SMEG 2007)	SMEs
	4.8	High Growth and Innovative SME Equity Facility under CIP (GIF)	SMEs
	4.9	SME Initiative	SMEs
	5.1	Enterprise Expansion Fund (ENEF) under the Western Balkans Enterprise Development and Innovation Facility	External Policies WBIF
	5.1	Enterprise Innovation Fund (ENIF) under the Western Balkans Enterprise Development and Innovation Facility	External Policies WBIF
	5.1	Guarantee Facility I (GF I) under the Western Balkans Enterprise Development and Innovation Facility	External Policies WBIF
	5.1	Guarantee Facility II (GF II) under Western Balkans Enterprise Development and Innovation Facility	External Policies WBIF
	5.2	Global Energy Efficiency and Renewable Energy Fund (GEEREF)	External Policies

Financial Information (EUR)			
Implementing Partner/Managing party		EIF	
		2024	All years
<b>EU Contribution</b>			
Budgetary commitments		-6,645,149.75	5,410,591,940.69
Budgetary payments		80,811,398.41	5,021,713,400.12
<b>Reflows</b>			
Total reflows entered into the budget, of which:		110,497,836.78	727,225,080.10
	<i>to the general budget</i>	0.00	25,040,605.85
	<i>returned to be used</i>	110,497,836.78	702,184,474.25
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		349,216,159.89	2,011,475,653.57
Guarantee calls recovered		37,119,536.02	192,455,158.15
<b>Equities</b>			
Realised losses		0.00	10,462,083.61
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		711,823.94	197,759,763.81
Incentive fees		17,249,366.00	282,081,756.69

Treasury management fees	1,079,449.23	10,071,728.23
Other charges	73,236.17	16,967,028.98
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	24,756,573.04	231,798,012.43
Net treasury result (including interest) (gains (+) / losses (-))	62,800,321.98	171,994,870.08
Net FX gains (+) / losses (-)	-1,957,297.00	-49,088,680.29
Other revenues	14,172.00	7,968,558.26
	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>		
Maximum financial risk exposure	2,685,739,873.96	3,142,991,200.68
Value of equity investments	1,251,693,465.53	1,255,520,752.48
Value of loans	33,374,117.43	32,883,528.00
Financial liabilities and provisions	557,042,765.00	675,670,831.11
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	784,131,818.67	1,030,528,544.23
Other financial assets (including short term deposits >3months)	573,860,731.65	706,809,289.68

## EBRD – European Bank for Reconstruction and Development

Managing party	Chapter	Financial Instrument	Policy Area
EBRD	5.1	Enterprise Expansion Fund II (ENEF II) under the Western Balkans Enterprise Development and Innovation Facility	External Policies WBIF
	6.1	EU Trade and Competitiveness Programme for Egypt and Jordan	External Policies NIP SOUTH
	6.1	EU-EBRD Local currency	External Policies NIP EAST
	6.1	NIP Armenia SME Finance and Advice Facility (EBRD)	External Policies NIP EAST
	6.1	NIP Deep and Comprehensive Free Trade Area (DCFTA) Facility (EBRD) EAST (MOL-GEO-UKR)	External Policies NIP EAST
	6.1	NIP SEMED MSME Financial Inclusion Programme (EBRD) SOUTH	External Policies NIP SOUTH
	6.1	NIP Women in Business (EBRD)	External Policies NIP EAST
	6.1	NIP Women in Business in EaP Phase II	External Policies NIP EAST
	6.1	Financial Inclusion Programme West Bank and Gaza Strip	External Policies NIP SOUTH
	6.2	Building Crisis-Resilient SMEs in Mongolia post Covid-19	External Policies IFCA & AIF & APIF
	6.2	Support for Mongolian Economic Diversification through SME	External Policies IFCA & AIF & APIF
	6.2	Sustainable private sector in Central Asia	External Policies IFCA & AIF & APIF
	6.2	The SME Finance Facility for Central Asia - Phase 2	External Policies IFCA & AIF & APIF

Financial Information (EUR)			
Implementing Partner/Managing party		EBRD	
		2024	All years
<b>EU Contribution</b>			
Budgetary commitments		0.00	166,422,200.00
Budgetary payments		3,834,443.55	122,844,373.55
<b>Reflows</b>			
Total reflows entered into the budget, of which:		4,756,083.00	4,756,083.00
<i>to the general budget</i>		0.00	0.00
<i>returned to be used</i>		4,756,083.00	4,756,083.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		2,320,269.25	2,340,913.25
Guarantee calls recovered		0.00	6,425.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	0.00
<b>Management fees and other charges</b>			
Administrative fees		241,383.84	1,985,808.91
Incentive fees		23,266.00	2,977,660.00
Treasury management fees		0.00	0.00
Other charges		2,199,235.11	16,180,643.58
<b>Revenues</b>		0.00	0.00
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		0.00	0.00

Net treasury result (including interest) (gains (+) / losses (-))	1,930,558.83	2,941,555.47
Net FX gains (+) / losses (-)	407,626.49	120,030.06
Other revenues	34,732.00	3,601,043.89
	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>		
Maximum financial risk exposure	32,910,643.79	38,513,087.06
Value of equity investments	8,162,570.80	5,717,129.12
Value of loans	0.00	0.00
Financial liabilities and provisions	903,406.75	2,769,178.23
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	54,447,882.66	62,440,830.43
Other financial assets (including short term deposits >3months)	0.00	0.00

## KfW - Kreditanstalt für Wiederaufbau

Managing party	Chapter	Financial Instrument	Policy Area
KfW	5.1	EU-KfW WB Guarantee Covid-19 Response - Supporting Entrepreneurs and MSMEs to Safeguard Employment	External Policies WBIF
	5.1	Green for Growth Fund (GGF)	External Policies WBIF
	5.1	European Fund for Southeast Europe (EFSE)	External Policies WBIF
	5.1	GGF II - Promoting Green Lending in the Western Balkans	External Policies WBIF
	6.1	EFSE - EU4Business: Local Currency Lending to SMEs in the Eastern Partnership	External Policies NIP EAST
	6.1	EU4Business - the EU Local Currency Partnership Initiative: The European Fund for Southeast Europe (KfW)	External Policies NIP EAST
	6.1	European Fund for Southeast Europe (KfW)	External Policies NIP EAST
	6.1	Green for Growth Fund - Extension to Neighbourhood East II (for Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine)	External Policies NIP EAST
	6.1	Green for Growth Fund (GGF) - COVID 19-RESPONSE in the Southern Neighbourhood (NIP GGF C-shares Southern Neighbourhood)	External Policies NIP SOUTH
	6.1	Green for Growth Funds L-Shares Georgia (10 MEUR)	External Policies NIP EAST
	6.1	MENA Fund for Micro, Small and Medium Enterprises III	External Policies NIP SOUTH
	6.1	NIP Eastern Partnership SME Finance Facility Phase II (KfW)	External Policies NIP EAST
	6.1	NIP MENA Fund for Micro, Small and Medium Enterprises COVID-19 top-up	External Policies NIP SOUTH
	6.1	Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD) (KfW)	External Policies NIP SOUTH
	6.1	Participation in MENA Fund for Micro-, Small and Medium Enterprises (SANAD) II (KfW)	External Policies NIP SOUTH
	6.1	Social Entrepreneurship Fund (SEF)	External Policies NIP SOUTH
	6.2	Microfinance Initiative for Asia Debt Fund	External Policies IFCA & AIF & APIF
	6.3	Green MSMEs KfW	External Policies LAIF & LACIF
	6.3	Latin America Investment Facility Eco-Business Fund	External Policies LAIF & LACIF
	6.3	Latin American Green Bond Funds	External Policies LAIF & LACIF
	6.4	Africa Agriculture Trade and Investment Fund S.A. SICAF-SIV	External Policies Thematic blending
	6.4	Women's Financial Inclusion Facility	External Policies Thematic blending

Financial Information (EUR)			
Implementing Partner/Managing party		KfW	
		2024	All years
<b>EU Contribution</b>			
Budgetary commitments		40,011,951.81	606,533,985.34
Budgetary payments		24,202,573.25	409,788,351.21
<b>Reflows</b>			
Total reflows entered into the budget, of which:		0.00	2,000,000.00
	<i>to the general budget</i>	0.00	2,000,000.00
	<i>returned to be used</i>	0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			

Realised losses	0.00	0.00
<b>Loans</b>		
Write offs	0.00	0.00
<b>Management fees and other charges</b>		
Administrative fees	505,474.35	4,499,158.09
Incentive fees	0.00	0.00
Treasury management fees	0.00	0.00
Other charges	5,277,624.93	12,308,692.26
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	0.00	0.00
Net treasury result (including interest) (gains (+) / losses (-))	270,635.42	740,299.25
Net FX gains (+) / losses (-)	1,879,843.58	2,496,842.31
Other revenues	0.00	410,010.92
	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>		
Maximum financial risk exposure	519,931,824.29	485,078,212.60
Value of equity investments	511,467,272.00	476,454,793.14
Value of loans	0.00	0.00
Financial liabilities and provisions	227,997.11	957,486.88
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	20,595,013.91	6,498,372.51
Other financial assets (including short term deposits >3months)	0.00	0.00

## FMO - Entrepreneurial Development Bank

Managing party	Chapter	Financial Instrument	Policy Area
FMO	6.2	AgriFI Country Window for Sri Lanka	External Policies IFCA & AIF & APIF
	6.4	Agriculture Financing Initiative	External Policies Thematic blending
	6.4	Climate Investor One	External Policies Thematic blending
	6.4	Climate Investor One - Energy Efficiency Initiative	External Policies Thematic blending
	6.4	Climate Investor Two	External Policies Thematic blending
	6.4	Electrification Financing Initiative	External Policies Thematic blending

Financial Information (EUR)			
Implementing Partner/Managing party		FMO	
		2024	All years
<b>EU Contribution</b>			
Budgetary commitments		10,701,600.00	292,246,312.26
Budgetary payments		24,788,265.00	266,569,861.09
<b>Reflows</b>			
Total reflows entered into the budget, of which:		8,634,358.55	11,337,282.55
	<i>to the general budget</i>	8,634,358.55	11,337,282.55
	<i>returned to be used</i>	0.00	0.00
<b>Losses from operations</b>			
<b>Guarantees</b>			
Guarantees called		0.00	0.00
Guarantee calls recovered		0.00	0.00
<b>Equities</b>			
Realised losses		0.00	0.00
<b>Loans</b>			
Write offs		0.00	6,650,073.80
<b>Management fees and other charges</b>			
Administrative fees		252,463.00	1,469,830.82
Incentive fees		0.00	3.00
Treasury management fees		0.00	0.00
Other charges		329,358.00	1,639,992.05
<b>Revenues</b>			
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)		2,019,558.30	13,569,420.53
Net treasury result (including interest) (gains (+) / losses (-))		-1,720.13	-1,511,592.58
Net FX gains (+) / losses (-)		4,189,878.39	1,198,239.22
Other revenues		12,167.41	200,297.11
		2024	2023
<b>Risk exposure</b>			
Maximum financial risk exposure		215,565,843.59	178,328,898.73
Value of equity investments		103,714,298.87	95,370,487.31



Value of loans	32,387,968.66	31,095,161.39
Financial liabilities and provisions	2,418,459.96	1,393,901.19
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	33,006,942.34	27,045,252.35
Other financial assets (including short term deposits >3months)	0.00	0.00

## Other Implementing Partners/Managing Parties

Managing party	Chapter	Financial Instrument	Policy Area
CUBE IM	1.1	Connecting Europe Broadband Fund (CEBF) – CEF Equity Instrument	Infrastructure & climate change
DWS	1.5	European Energy Efficiency Fund (EEEF)	Infrastructure & climate change
DG GROW	1.6	2020 European Fund for Energy, Climate Change and Infrastructure (Marguerite Fund)	Infrastructure & climate change
BGK	5.5	EU support to Ukrainian Micro, Small and Medium-Sized Enterprises (top-up)	External Policies UIF
BGK	6.1	EU Support for Ukrainian MSMEs	External Policies NIP EAST
ADB	6.2	Supporting green infrastructure under the ASEAN Catalytic Green Finance Facility (ACGF)	External Policies IFCA & AIF & APIF
Cofides	6.2	Kuali Fund India	External Policies IFCA & AIF & APIF
Cofides	6.3	Kuali Fund- Multi Regional LAC	External Policies LAIF & LACIF
AFD	6.4	Digital Energy Facility (DEF) for the Promotion of Energy Transition and Energy Access - Seed Financing	External Policies Thematic blending
AfDB	6.4	Facility for Energy Inclusion (FEI)	External Policies Thematic blending
Cofides	6.4	HURUMA Fund	External Policies Thematic blending
IFU	6.4	The Spark+ Africa Fund	External Policies Thematic blending
Proparco	6.4	Africa Renewable Energy Scale Up Facility - Guarantee Fund	External Policies Thematic blending
Proparco	6.4	Transferability and Convertibility Facility	External Policies Thematic blending

Financial Information (EUR)	Other	
Implementing Partner/Managing party	Other	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	25,628,000.00	520,765,748.26
Budgetary payments	19,712,676.42	385,766,312.37
<b>Reflows</b>		
Total reflows entered into the budget, of which:	1,126,760.57	87,716,019.66
<i>to the general budget</i>	-2,140,845.07	748,002.43
<i>returned to be used</i>	3,267,605.64	86,968,017.23
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	0.00	0.00
Guarantee calls recovered	0.00	0.00
<b>Equities</b>		
Realised losses	0.00	0.00
<b>Loans</b>		
Write offs	0.00	0.00
<b>Management fees and other charges</b>		
Administrative fees	455,869.60	1,207,602.50
Incentive fees	0.00	0.00
Treasury management fees	0.00	0.00
Other charges	1,184,531.75	2,275,607.35

<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	1,126,760.57	25,005,166.79
Net treasury result (including interest) (gains (+) / losses (-))	1,629,907.26	6,027,137.54
Net FX gains (+) / losses (-)	3,358,184.10	2,752,987.69
Other revenues	0.00	35,712.26
	<b>2024</b>	<b>2023</b>
<b>Risk exposure</b>		
Maximum financial risk exposure	265,915,791.47	235,368,356.48
Value of equity investments	160,635,123.52	156,263,587.17
Value of loans	545,000.00	0.00
Financial liabilities and provisions	41,793,860.87	10,693,842.04
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	36,406,992.26	29,147,691.56
Other financial assets (including short term deposits >3months)	26,135,720.46	31,515,935.79

## Annex IV – Summary tables – financial instruments per policy area

### Internal Policies

Financial Information (EUR)	Internal Policies	
Implementing Partner/Managing party	EIB, EIF, DWS, CUBE IM, DG GROW	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	832,551,199.75	13,109,923,091.22
<i>of which from third countries</i>	50,010,920.00	412,124,903.12
<i>of which from reflows</i>	0.00	1,558,160,193.69
Budgetary payments	387,716,803.82	10,780,559,901.25
<b>Reflows</b>		
Revenues	95,563,169.76	805,693,769.93
Repayments	103,367,090.95	1,701,259,885.52
Total reflows entered into the budget, of which:	198,930,260.71	2,329,370,528.47
<i>to the general budget</i>	-2,140,845.07	27,695,687.92
<i>returned to be used</i>	201,071,105.78	2,301,674,840.55
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	439,984,692.10	2,507,998,532.66
Guarantee calls recovered	44,179,890.09	255,685,653.41
<b>Equities</b>		
Realised losses	0.00	10,462,083.61
<b>Loans</b>		
Write offs	0.00	0.00
<b>Management fees and other charges</b>		
Administrative fees	24,509,413.00	366,295,084.74
Incentive fees	16,949,366.00	364,981,101.69
Treasury management fees	2,036,142.00	26,673,200.07
Other charges	8,163,384.00	150,838,305.32
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	50,840,841.87	964,237,968.32
Net treasury result (including interest) (gains (+) / losses (-))	165,416,229.81	374,132,765.79
Net FX gains (+) / losses (-)	-1,606,739.00	-48,411,320.86
Other revenues	14,172.00	10,274,050.09
	2024	2023
<b>Risk exposure</b>		
Maximum financial risk exposure	6,688,473,710.96	6,769,098,593.86
Value of equity investments	2,183,172,517.38	1,906,246,698.84
<i>Investment at cost</i>	2,052,879,393.89	1,661,590,872.72
Value of loans	33,374,117.43	32,883,528.00
<i>Loans at cost</i>	34,723,849.44	34,722,510.00

Financial liabilities and provisions	609,977,828.40	745,876,191.48
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	1,375,761,325.39	1,567,156,228.92
<i>in euro</i>	876,310,086.44	962,687,827.43
<i>in non-euro currencies</i>	499,451,240.00	604,468,401.00
Other financial assets (including short term deposits >3months)	3,170,910,050.15	3,459,812,764.30

## Infrastructure & Climate change (Internal Policies)

Financial Information (EUR)	Infrastructure & Climate change	
Implementing Partner/Managing party	EIB, DWS, CUBE IM, DG GROW	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	0.00	1,187,426,432.57
<i>of which from third countries</i>	0.00	0.00
<i>of which from reflows</i>	0.00	6,882,828.95
Budgetary payments	5,405,405.41	1,078,282,117.78
<b>Reflows</b>		
Revenues	7,329,790.46	85,623,839.01
Repayments	0.00	62,675,711.61
Total reflows entered into the budget, of which:	7,329,790.46	148,205,843.62
<i>to the general budget</i>	-2,140,845.07	2,776,735.65
<i>returned to be used</i>	9,470,635.53	145,429,107.97
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	2,650,711.00	2,771,520.00
Guarantee calls recovered	0.00	60,337.00
<b>Equities</b>		
Realised losses	0.00	0.00
<b>Loans</b>		
Write offs	0.00	0.00
<b>Management fees and other charges</b>		
Administrative fees	0.00	22,812,812.13
Incentive fees	0.00	15,807,340.00
Treasury management fees	407,456.00	5,071,075.27
Other charges	603,062.00	59,611,974.30
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	6,764,645.57	133,310,697.65
Net treasury result (including interest) (gains (+) / losses (-))	2,105,463.00	12,975,744.72
Net FX gains (+) / losses (-)	247,519.00	729,527.90
Other revenues	0.00	55,748.66
	2024	2023
<b>Risk exposure</b>		
Maximum financial risk exposure	923,771,696.75	940,939,951.30
Value of equity investments	129,018,015.60	131,977,259.06
<i>Investment at cost</i>	157,577,339.42	152,171,934.01
Value of loans	0.00	0.00
<i>Loans at cost</i>	0.00	0.00
Financial liabilities and provisions	38,925,922.40	44,504,459.48
<b>Assets under treasury management</b>		

Balance in the fiduciary bank account (including short term deposits <3months)	67,389,503.00	65,591,825.00
<i>in euro</i>	50,740,180.00	49,180,718.00
<i>in non-euro currencies</i>	16,649,323.00	16,411,107.00
Other financial assets (including short term deposits >3months)	714,921,047.21	730,677,768.21

## Research & Innovation (Internal Policies)

Financial Information (EUR)	Research & Innovation	
Implementing Partner/Managing party	EIB	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	0.00	3,191,830,000.00
<i>of which from third countries</i>	0.00	9,405,382.00
<i>of which from reflows</i>	0.00	1,132,969,862.65
Budgetary payments	0.00	3,191,830,000.00
<b>Reflows</b>		
Revenues	0.00	324,738,585.00
Repayments	85,401,716.81	1,133,621,756.67
Total reflows entered into the budget, of which:	85,401,716.81	1,458,360,341.67
<i>to the general budget</i>	0.00	0.00
<i>returned to be used</i>	85,401,716.81	1,458,360,341.67
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	89,604,218.00	502,068,452.00
Guarantee calls recovered	7,160,591.00	65,758,632.00
<b>Equities</b>		
Realised losses	0.00	0.00
<b>Loans</b>		
Write offs	0.00	0.00
<b>Management fees and other charges</b>		
Administrative fees	0.00	83,639,447.25
Incentive fees	0.00	68,909,505.00
Treasury management fees	627,503.00	11,698,375.80
Other charges	10,190.00	51,993,880.00
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	12,466,989.00	603,276,082.15
Net treasury result (including interest) (gains (+) / losses (-))	86,721,329.81	170,040,934.55
Net FX gains (+) / losses (-)	0.00	-110,683.90
Other revenues	0.00	27,923.43
	2024	2023
<b>Risk exposure</b>		
Maximum financial risk exposure	1,695,399,916.00	1,785,671,060.00
Value of equity investments	0.00	0.00
<i>Investment at cost</i>	0.00	0.00
Value of loans	0.00	0.00
<i>Loans at cost</i>	0.00	0.00
Financial liabilities and provisions	38,830,137.00	40,102,914.00
<b>Assets under treasury management</b>		



Balance in the fiduciary bank account (including short term deposits <3months)	9,484,274.00	13,827,209.74
<i>in euro</i>	9,484,274.00	13,827,209.43
<i>in non-euro currencies</i>	0.00	0.00
Other financial assets (including short term deposits >3months)	1,807,063,233.29	1,903,943,116.58

## Social & Education (Internal Policies)

Financial Information (EUR)	Social & Education	
Implementing Partner/Managing party	EIF	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	-200,000.00	256,711,503.00
<i>of which from third countries</i>	0.00	123,818.00
<i>of which from reflows</i>	0.00	68,852,830.70
Budgetary payments	2,472,512.41	253,719,121.00
<b>Reflows</b>		
Revenues	5,800,851.01	11,360,576.59
Repayments	614,273.40	8,982,442.40
Total reflows entered into the budget, of which:	6,415,124.41	20,343,018.99
<i>to the general budget</i>	0.00	1,938,109.27
<i>returned to be used</i>	6,415,124.41	18,404,909.72
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	14,882,585.86	117,344,536.81
Guarantee calls recovered	12,041.16	1,355,019.62
<b>Equities</b>		
Realised losses	0.00	0.00
<b>Loans</b>		
Write offs	0.00	0.00
<b>Management fees and other charges</b>		
Administrative fees	0.00	16,600,649.89
Incentive fees	0.00	4,949,184.00
Treasury management fees	-44,761.00	500,779.00
Other charges	4,400.00	408,548.17
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	1,904,619.30	6,992,552.38
Net treasury result (including interest) (gains (+) / losses (-))	3,258,307.00	15,344,498.82
Net FX gains (+) / losses (-)	-336,704.00	-5,156,160.86
Other revenues	893.00	75,240.00
	2024	2023
<b>Risk exposure</b>		
Maximum financial risk exposure	105,874,477.43	118,609,521.00
Value of equity investments	69,664,993.00	67,061,154.00
<i>Investment at cost</i>	72,137,567.00	72,137,567.00
Value of loans	33,374,117.43	32,883,528.00
<i>Loans at cost</i>	34,723,849.44	34,722,510.00
Financial liabilities and provisions	1,592,088.00	16,776,104.00
<b>Assets under treasury management</b>		

Balance in the fiduciary bank account (including short term deposits <3months)	72,742,016.10	90,447,131.00
<i>in euro</i>	7,415,328.00	14,673,712.00
<i>in non-euro currencies</i>	65,326,688.00	75,773,419.00
Other financial assets (including short term deposits >3months)	2,680,347.00	2,581,113.51

## SMEs (Internal Policies)

Financial Information (EUR)	SMEs	
Implementing Partner/Managing party	EIB, EIF	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	832,751,199.75	8,473,955,155.65
<i>of which from third countries</i>	50,010,920.00	402,595,703.12
<i>of which from reflows</i>	0.00	349,454,671.39
Budgetary payments	379,838,886.00	6,256,728,662.47
<b>Reflows</b>		
Revenues	82,432,528.29	383,970,769.33
Repayments	17,351,100.74	495,979,974.84
Total reflows entered into the budget, of which:	99,783,629.03	702,461,324.19
<i>to the general budget</i>	0.00	22,980,843.00
<i>returned to be used</i>	99,783,629.03	679,480,481.19
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	332,847,177.24	1,885,814,023.85
Guarantee calls recovered	37,007,257.93	188,511,664.79
<b>Equities</b>		
Realised losses	0.00	10,462,083.61
<b>Loans</b>		
Write offs	0.00	0.00
<b>Management fees and other charges</b>		
Administrative fees	24,509,413.00	243,242,175.47
Incentive fees	16,949,366.00	275,315,072.69
Treasury management fees	1,045,944.00	9,402,970.00
Other charges	7,545,732.00	38,823,902.85
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	29,704,588.00	220,658,636.14
Net treasury result (including interest) (gains (+) / losses (-))	73,331,130.00	175,771,587.70
Net FX gains (+) / losses (-)	-1,517,554.00	-43,874,004.00
Other revenues	13,279.00	10,115,138.00
	2024	2023
<b>Risk exposure</b>		
Maximum financial risk exposure	3,963,427,620.78	3,923,878,061.56
Value of equity investments	1,984,489,508.78	1,707,208,285.78
<i>Investment at cost</i>	1,823,164,487.47	1,437,281,371.71
Value of loans	0.00	0.00
<i>Loans at cost</i>	0.00	0.00
Financial liabilities and provisions	530,629,681.00	644,492,714.00
<b>Assets under treasury management</b>		

Balance in the fiduciary bank account (including short term deposits <3months)	1,226,145,532.29	1,397,290,063.18
<i>in euro</i>	808,670,304.44	885,006,188.00
<i>in non-euro currencies</i>	417,475,229.00	512,283,875.00
Other financial assets (including short term deposits >3months)	646,245,422.65	822,610,766.00

## External Policies

Financial Information (EUR)	External Policies	
Implementing Partner/Managing party	EIB, EIF, EBRD, KfW, BGK, AFD, AfDB, Cofides, FMO, Proparco, IFU, ADB	
	2024	All years
<b>EU Contribution</b>		
Budgetary commitments	227,625,949.16	2,378,780,156.84
Budgetary payments	171,837,247.27	1,672,101,706.56
<b>Reflows</b>		
Total reflows entered into the budget, of which:	17,689,524.89	97,567,667.96
<i>to the general budget</i>	8,634,358.55	49,943,781.58
<i>returned to be used</i>	9,055,166.34	47,623,886.38
<b>Losses from operations</b>		
<b>Guarantees</b>		
Guarantees called	4,291,997.09	15,805,653.31
Guarantee calls recovered	352,849.98	3,440,587.23
<b>Equities</b>		
Realised losses	877,013.00	8,675,319.00
<b>Loans</b>		
Write offs	0.00	6,650,073.80
<b>Management fees and other charges</b>		
Administrative fees	3,203,913.02	43,662,506.29
Incentive fees	323,266.00	4,795,163.00
Treasury management fees	78,266.23	292,979.23
Other charges	9,027,131.96	88,249,493.45
<b>Revenues</b>		
Revenues from operations (Risk remuneration, dividends, realised gains, fees, interests on loans)	1,042,481.04	38,282,308.73
Net treasury result (including interest) (gains (+) / losses (-))	11,983,683.36	22,614,197.31
Net FX gains (+) / losses (-)	12,833,828.80	10,822,912.74
Other revenues	56,639.41	5,279,861.19
	2024	2023
<b>Risk exposure</b>		
Maximum financial risk exposure	1,245,160,281.57	1,093,694,348.94
Value of equity investments	813,279,715.45	768,842,414.63
Value of loans	40,057,845.66	31,095,161.39
Financial liabilities and provisions	86,524,871.77	31,343,353.45
<b>Assets under treasury management</b>		
Balance in the fiduciary bank account (including short term deposits <3months)	420,214,180.94	323,488,297.64
Other financial assets (including short term deposits >3months)	35,887,956.46	43,598,212.96

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