

Conclusions

Framework Operation #20, for Climate & Infrastructure Funds Product (Second Framework Operation under the Climate & Infrastructure Funds Product)

INVEU-ICR-0008-2023 – Sustainable Infrastructure Window & Social Investment and Skills Window

Short description of the financing or investment operation and its objectives

Financial intermediaries	Financial Intermediaries established in EU27 with strategies pursuing any of the Target Areas under the Climate & Infrastructure Funds Product.
Final recipients	Special Purpose Vehicle / Project Company, SMEs (including Micro Enterprise), Mid-Caps Mixed entities, such as PPPs and private companies with a public purpose
Countries of implementation	EU-27
Implementing partner	EIF

The purpose of the Framework Operation is to invest through Sub-Projects that will address backbone infrastructure and industrial ecosystems in energy, transport, environment, digital connectivity and social infrastructure. Sub-Projects under this Framework Operation will predominantly target projects in the area of renewable energy generation, energy efficiency, clean mobility and digital infrastructure, but will also include investments in remediation of industrial land and social infrastructure. Financial intermediaries are expected to invest the majority of their capital in new/greenfield projects or refurbishment/expansion of existing assets. Financial intermediaries are typically expected to take a majority or significant minority shares in the underlying investments.

Global Assessment and rationale for approval

The Investment Committee (IC) of the InvestEU Fund approved the use of the InvestEU guarantee on 24 March 2023 for the above-mentioned operation.

The investments will be in the form of equity, which will in turn allow the underlying funds to promote equity or quasi-equity investments at the level of each underlying investment, which is an essential element in supporting greenfield infrastructure investments.

Whilst there is a well-developed market for existing infrastructure assets with an operational track record, there is a significant funding gap for market players that have the capacity to take an active role in the development and structuring of new infrastructure assets. All infrastructure

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funds under this Framework Operation target greenfield or other form of capital expenditure for infrastructure investments and take such active role in the area of green energy transition, sustainable transport, digital transformation or social infrastructure.

Underlying funds may address and in some cases are specifically targeting the market gap at project development stage, where investments are entailing higher risks that are often well beyond the risk-appetite of private investors.

Underlying funds may also target sectors with higher risks beyond a level normally accepted by private investors. This includes technology risks (e.g., in the area of sustainable aviation where technologies are yet to be proven economically viable at scale). Some of the underlying funds may also invest in, and in some cases are explicitly targeting, sustainable infrastructure in less developed regions, notably Southern Europe and CEE.

Targeted sectors are: clean energy transition, sustainable transport, digital connectivity, environment and resources, social infrastructure.

EIF's commitment is expected to have a strong catalytic effect helping to enlarging and diversifying the investor base of the underlying funds forming the Sub-Projects of this Framework Operation.