

InvestEU Steering Board

Minutes of the meeting held on 26 October 2023

Questions concerning this note should be referred to the InvestEU Steering Board Secretariat:

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INVESTEU STEERING BOARD – MEETING 10/2023

Minutes of the meeting

Drawing up of attendance list and verification of quorum

Ms Flores opened the meeting, welcomed the members and alternates to the tenth Steering Board meeting and recorded that there was a quorum.

She reminded that during the first meeting of the Steering Board in July 2021, the Steering Board agreed to allow support staff to join as observer in the Steering Board meetings (one from the Commission, one from the EIB Group and one from the other implementing partners). However, this approach is now to be revised. Therefore, the participation of the limited support staff individuals allowed to join for Steering Board meetings in hybrid form will be expanded; in addition to the above, two support staff from the Commission, two support staff from the EIB Group and one support staff from the other implementing partners could attend online, as observers. The Steering Board members agreed.

She also informed of new Steering Board members and alternates representing Implementing Partners other than EIB Group, appointed in June 2023:

1. Mr Paweł Choraży, BGK
2. Mr Róbert Nagy, Garantiqa
3. Mr Michel Casselman, PMV
4. Mr Christian Dubarry, Bpifrance

Also, new members representing the Commission were appointed: Ms Anna Panagopoulou (DG RTD) and Mr Thibaut Kleiner (DG CNECT).

1. Adoption of the agenda

The revised agenda as proposed by the Chair was approved.

2. FOR INFORMATION

Report on the InvestEU implementation based on the operational reports for Q1 and Q2 2023

Mr Pedro Santos presented an update on the progress of the InvestEU implementation, supported by the operational reports for 30 June 2023 provided to the Commission by the Implementing Partners in September 2023.

Ms Panagopoulou suggested that the quantitative data from the reports should be supplemented by qualitative information on the implementation of the InvestEU Programme.

Both Mr Kuhn and Mr Braun informed that EIB and EIF respectively expect to meet the NGEU target for approval of operations by the end of 2023 but underlined that the signature of operations by the end of 2024 will be challenging. They noted that any flexibility in this regard would be welcome. Mr Braun also underlined that policy review dialogues allow for qualitative assessment of the InvestEU Programme.

Mr Kleiner remarked that more granular data on support under the RID Window would be appreciated.

Mr Lamassoure sought clarification on the difference between the leverage and multiplier used in the report and the impact of InvestEU on job creation. He also enquired about additional Member State's contribution agreements in the future.

Mr Santos indicated that (1) more granular data as well as qualitative information can be shared with the Steering Board in the next implementation report, to the extent that the Steering Board deems relevant; (2) explained the difference between the leverage and multiplier; (3) noted that data on job creation should further evolve as the implementation progresses; and finally (4) underlined that the decision to contribute to the Member State compartment lies exclusively with each Member State.

Ms Flores invited the Steering Board Members to share with the Secretariat their reflections on additional information that could be included in the future reports. Policy dialogues indeed could also be used to feed in the report.

3. FOR DISCUSSION

Introduction by new Implementing Partners (CDP)

Ms Colombo gave a general presentation to the Steering Board on the activities of Cassa Depositi e Prestiti S.p.A. (CDP) under InvestEU. She presented CDP's mission, its development in the last ten years, 2022-2024 strategy, and the sustainability analysis applied by CDP. She gave an overview of the key terms and conditions of the guarantee agreement signed on 16 February 2023. The total guarantee amounts up to EUR 375 million, to be implemented under the Sustainable Infrastructure Window, the Social Investment and Skills Window and the Research, Innovation and Digitization Window. She gave an overview of CDP's three products, their implementation and underlined lessons learnt.

Ms Flores thanked Ms Colombo for the comprehensive presentation.

4. FOR DISCUSSION

Exchange of views ahead of the second call for InvestEU Fund and InvestEU Advisory Hub

Mr Marin presented the main features of the second call for expression of interest for the InvestEU Fund and InvestEU Advisory Hub published on 25 October 2023¹.

Ms Flores invited the Steering Board Members to consult the Call and indicated that DG ECFIN remains available for any further information that they may need.

5. FOR DISCUSSION

Exchange of views on the evaluation of the InvestEU and STEP Regulation

Mr Dubarry presented the other Implementing Partners' view on the InvestEU evaluation and the STEP proposal. The key points covered: (1) extension of the NGEU deadliness for operation signatures; (2) increasing the level of provisioning for higher-risk products; (3) reducing reporting requirements; and (4) state aid regimes.

In her reply, Ms Flores thanked the Implementing Partners for their feedback. She made a distinction between those matters that result from the applicable legislation (notably state aid, Financial Regulation), and matters that could be addressed by the Commission during the reflection on the InvestEU implementation. In case of the latter, the feedback provided by the Implementing Partners could feed into the Mid-term Evaluation currently carried by an independent evaluator, as required by the InvestEU Regulation. She added that Implementing Partners will be invited to contribute to the Mid-term Evaluation. Finally, she explained that the Commission proposed an extension of the NGEU deadline for operations signatures in the STEP proposal.

Mr Kuhn commented that STEP should be supported by appropriate additional budget. He further sought clarification on the underlying budget of the 2nd call of interest.

Mr Marin clarified that the 2nd call of interest has a maximum budget of EUR 1.37 billion from the MFF budget. Concerning the NGEU budget, the target for approval of operations is set in the Guarantee Agreements concluded with each Implementing Partner and must be met individually. However, the NGEU signature target is to be met at programme level. If the latter target is not met and subject to any possible extension of the deadline under the STEP proposal, the relevant NGEU resources could be included in the budget of the second Call.

Mr Kuhn expressed the view that such reallocation of NGEU resources could affect the EIBG activities after 2024, as efforts made by the EIBG for the NGEU targets to be achieved could further worsen the budgetary cliff-edge from NGEU to MFF resources. Mr Braun stated that this requires a more targeted and in-depth discussion.

¹ [InvestEU: 2nd Call for Expression of Interest for the InvestEU Fund and the InvestEU Advisory Hub published \(europa.eu\)](https://european-council.europa.eu/media/en/press-articles/detail/15244?lang=en)

Ms Flores noted that all Implementing Partners should strive to achieve the NGEU targets and make full use of the allocated budget. A dedicated meeting with the EIBG could be indeed organized.

6. FOR DECISION

Adoption of the Steering Board work plan for 2024

Ms Flores presented the 2024 work plan. She underlined its indicative and non-exhaustive character.

Mr Kuhn supported the work plan. However, he remarked that the Steering Board should also hold substantive discussions on products, market developments and risks. Secondly, he noted that the InvestEU Mid-term Evaluation Report should rather be a point of discussion, than a point of information.

Ms Flores noted that the Mid-term Evaluation Report is carried out by an independent contractor and the representatives of Implementing Partners are involved. The report will be transmitted to the Steering Board for information, which can exchange views on the report's conclusions.

The Steering Board took note of the suggestions made. The work plan for 2024 was therefore adopted, with the caveat that if any additional point is proposed in the future it could be added to the work plan.

7. FOR DISCUSSION

Exchange with Mr Fabio Pammolli, Chairperson of the InvestEU Investment Committee, on the work of the Investment Committee

Mr Pammolli gave an overview of the work of the InvestEU Investment Committee (IC). First, he presented the strengths of the IC, such as (1) diverse and complementary expertise of IC members, (2) the IC's commitment to deliver despite periodic high workload (ex. end of calendar year); and (3) good interaction between the IC, the Commission, and the Implementing Partners. He underlined that new Implementing Partners bring a significant value added to the InvestEU offering a diverse offer of financial products and geographical coverage. As possible points for improvement he noted (1) need to improve quality of documents submitted; (2) significant number of framework operations, thus efforts required for adequate monitoring and reporting of their implementation; and (3) need for stronger knowledge sharing (i.e. trainings, workshops) on new policy initiatives and best market practices for IC members. Finally, key points for reflection for the future are (1) enhanced convergence between the IPs and more standardization of their financial products; and (2) need to strengthen the resources available under InvestEU to better address the market needs (ex. new policies, STEP).

Mr Casselman enquired about the assessment process of operations and if the adoption of the STEP proposal would impact the composition of the IC.

Mr Pammolli explained that additionality is key in the assessment of the IC. That is explained to new Implementing Partners during the introductory information session organized by the IC.

Operations submitted to the IC are subject to Q&As before and during the relevant IC session and the IC strives to provide timely feedback on the received submissions. Concerning the impact of the STEP proposal on the IC composition, Mr Pammolli stated that the IC aims to work in the most efficient way, and should the STEP be adopted, IC will engage with the Commission.

In reply to further question on the approval of framework operations, Mr Pammolli indicated that indeed majority of the operations submitted so far to IC are framework operations. When approving a framework operation, depending on the information available on the granularity of the underlying operations, IC may either: (1) retain the right to approve the sub-operations, as foreseen in the InvestEU Regulation; or (2) require that the Implementing Partner provides a report on the implementation of the framework operation(s) and its sub-operations, in the frame of their regular reporting to the Commission.

In reply to comments raised by Ms Clausen and Ms Panagopoulou, Mr Pammolli noted that IC would welcome regular information sessions on new policy initiatives to be organized by the Commission. He added that the IC operates within the framework of the InvestEU Regulation, and the assessment of additionality is done *vis-à-vis* policy developments, current market conditions and financing from other sources available to the Implementing Partners.

Mr Braun expressed concerns about the concept of “product standardization”, as Implementing Partners have their specificities and thus develop their own products. Mr Pammolli stated that IC appreciates the merits of the variety of financial products now offered by the Implementing Partners. He clarified that, with the aim of optimising processes such as validation of products, it could be considered to develop either pan-European products, or to further develop the co-investment schemes (ex. co/counter guarantee schemes, or standardizes schemes).

Both Mr Kuhn and Mr Braun praised the work of the IC, and noted their appreciation for the feedback provided by IC.

8. FOR INFORMATION

Introductions by new Implementing Partners

8.1 Presentation by Bpifrance

Mr Aurélien Mouly provided an overview of the Guarantee Agreement with Bpifrance signed on 27 April 2023. The Agreement provides for a maximum EU guarantee of EUR 500 million, divided between the SME Window (EUR 400 million) and the Research Innovation and Digitisation Window (EUR 100 million). Final recipients will be innovative SMEs and small midcaps established and operating in France. Eligible projects concern innovative technologies and/or pilot factory or new factory, active in bioeconomy, circular economy, clean mobility, digital technologies, industry 4.0, modernisation and decarbonisation of industry and health. Additionality is assessed taking into account, among others, the project’s high levels of technological and/or

industrial risks, its capital intensity with large R&D investments or its contribution to re-industrialisation.

Ms Clausen noted that in light of the recently adopted SME Relief Package², the Bpifrance SMEs financial product is a welcome opportunity to support SMEs.

8.2 Presentation by Garantiqa

Mr Robert Nagy presented the key terms of the Guarantee Agreement with Garantiqa, signed on 7 August 2023. The Guarantee Agreement covers an indirect debt product under the SME Window, with an EU Guarantee of EUR 249 million. The final beneficiaries are SMEs active in Hungary. The budget comes exclusively from NGEU, meaning that operations must be approved by the end of 2023. Given that small ticket sizes and similar typology of investments are expected, only framework operations will be submitted for approval, with an implementation period of five years.

In reply to Ms Clausen's question on the greening of SMEs, Mr Nagy underlined the difficulty to differentiate between general financing and green/sustainable/digital financing in framework operations targeting micro and small SMEs.

9. Any other business

9.1 Next meeting of the Steering Board

Ms Flores informed that the proposed date for the next meeting of the Steering Board is 24 April 2024 in Luxembourg.

² [A "Relief Package" for SMEs \(europa.eu\)](https://europa.eu)

Presence list:

Steering Board members and alternates:

Ms Elena Flores (EC, Chair)
Ms Anna Panagopoulou (EC)
Mr Thibaut Kleiner (EC)
Ms Merete Clausen (EC)
Mr Christoph Kuhn (EIB)
Ms Fotini Koutzoukou (EIB)
Mr Adrian Kamenitzer (EIB)
Mr Laurent Braun (EIF)
Ms Christa Karis (EIF)
Mr Michel Casselman (PMV)
Mr Christian Dubarry (Bpifrance)
Mr Robert Nagy (Garantiqa)
Mr Alain Lamassoure (Expert for the European Parliament)

Presenters:

Mr Pedro Santos (EC) for agenda point 2
Ms Martina Colombo (CDP) for agenda point 3
Mr Antongiulio Marin (EC) for agenda point 4
Mr Fabio Pammolli (Investment Committee Chair) for agenda point 7
Mr Aurélien Mouly (Bpifrance) for agenda point 8.1.

Steering Board Secretariat (EC):

Ms Aleksandra Koziara
Ms France Pierret
Mr Irmantas Simonis

Observers:

Mr Michael Feith (EC, Investment Committee Secretariat)
Mr Salvatore Amico Roxas (EC)
Ms Carmen Arroyo de Sande (EC)
Mr Andras Inotai (EC)
Ms Azadeh Sharafshahi (EC)

Ms Evangelia Chrysanthou (EIB)

Mr Joaquin Guzman Carrizosa (EIB)

Mr Johan Reynaert (PMV)

Mr Győző Schulteisz (Garantiqa)