



## Investment Committee of the InvestEU Fund

Meeting no 36 of 16 December 2024

Online

### FRAMEWORK OPERATION #49 FOR SME COMPETITIVENESS GUARANTEE – SPAIN InvestEU MEMBER STATE COMPARTMENT (Capped Guarantee) (ES)

INVEU-ICR-0100-2024 – - SME Window (SMEW)

#### Short description of the financing or investment operation and its objectives

-Type of the financial intermediaries	- Mostly National Promotional Institutions and commercial banks
Final recipients	SMEs
Country of implementation	Spain
Implementing partner	(EIF)

This Framework Operation is expected to contribute to the objectives set out in Spanish Recovery and Resilience Plan (RRP) (as approved by the respective Council Implementing Decision), in particular by incentivising private investment and improving access to finance in Spanish Autonomous Communities in the following priority areas: industrial and SME competitiveness, sustainable tourism, care economy, as well as to develop capital markets in these areas. The implementation of the InvestEU SME Competitiveness Guarantee product is thus of paramount importance to incentivize SMEs to carry out their tangible investments to strengthen or maintain their competitive position.

Under this Framework Operation, EIF will support financial intermediaries that will provide financing to final recipients meeting the relevant product eligibility criteria of Higher risk category 1, 2 or 3 as applicable.

#### Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 16 December 2024 for the above-mentioned operation.

Additionality shall be deemed to be met via each Sub-Project as financial intermediaries will originate final recipient transactions, which carry a higher risk profile than the risk generally deemed acceptable by such intermediary, inter alia in the form of targeting final recipients of lower creditworthiness or implementing financing solutions in line with the enhanced access to finance measures described in the InvestEU Call for Expression of Interest published on EIFs website.

EIF expects to support financial intermediaries in originating final recipient transactions (debt financing) which meet the enhanced access to finance measures described in the InvestEU Call for Expression of Interest published on EIF's website.

The use of the InvestEU Guarantee allows EIF to enter into guarantee with financial intermediaries supporting higher risk category final recipients.



## Investment Committee of the InvestEU Fund

Meeting no 36 of 16 December 2024

Online

The SME financing market is characterised by persistent market gaps, which occur when viable projects or viable SMEs do not get the financing they require from Financial Intermediaries due to e.g. information asymmetries, market fragmentation, transaction costs or the Financial Intermediary's risk aversion. Especially young firms face particular challenges due to a lack of track record on which the Financial Intermediary could rely for the purposes of risk analysis and taking of the financing decision.