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Bernhard Sagmeister, President
Katrin Sturm, Secretary General
European Association of Guarantee
Institutions, AECM

Sent via email

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cc: felix.haas@aecm.eu
G.Huemer@smeunited.eu

Dear Mrs Sturm, Dear Mr Sagmeister,

We would like to thank you for your interest in the InvestEU Programme and in its role in the recovery of the European economy.

Please allow us to assure you that the Commission is and will remain fully committed to implementing a strong investment programme for the upcoming 2021-2027 programming period. The revised InvestEU proposal presented by the Commission on 29 May 2020 is considerably reinforced and will play an even bigger role in supporting the economy and shaping a Europe that is more resilient, green and digital.

Regarding the timeline of the Programme, investments under InvestEU will be front-loaded in order to help the European economy rebound and emerge rapidly from the crisis. This is why InvestEU is predominantly financed by Next Generation EU, which is designed to kick-start the EU economy by concentrating its financial support in the first half of the next 2021-2027 programming period.

While more investment is likely to be triggered in the earlier years of the implementation period, operations will continue to be supported also in the years after 2024, on the basis of commitments made until the end of 2024. Moreover, InvestEU could be further reinforced throughout the 2021-2027 programming period by allocating additional funds from the EU budget, either from available budgetary appropriations, or reflows from financial instruments.

In addition, Member States can further boost investments under InvestEU by using the possibilities to contribute money from their cohesion envelopes into this instrument.

While the overall size of InvestEU was increased, the budget for each window has not been proportionally increased compared to the original Commission proposal, as you rightly pointed out when mentioning the SME window.

The budgetary allocation to the RID, SME and Social windows was retained in line with the level of the last negotiation proposal of the Council in the MFF discussions before the Covid-19 crisis.

The proposed guarantee allocation to the SME window does not solely relate to the increase in overall provisioning for InvestEU, but has also taken into consideration the recent creation of two other instruments (namely, the Solvency Support Instrument and the EIB Pan-European Guarantee Fund), which will both include the support of SMEs. In addition, the sizeable newly proposed fifth window of InvestEU, the strategic European investment window, can also support SME financing, as can the other windows, such as the Sustainable Infrastructure window. The draft InvestEU Investment Guidelines provide that portfolios of SMEs targeting specific policy areas may also be financed under the other policy windows.

All the instruments mentioned above will jointly support the financing needed by the SMEs in this period and the combined support provided will outweigh the original allocation under the InvestEU SME window.

Regarding the question on resource allocation across the years, we wish to reiterate that InvestEU is a demand-driven programme. However, because of the recovery focus of InvestEU and the associated financing from Next Generation EU, the support relying on this package will need to be approved in the years up to end-2024. A tentative breakdown for InvestEU can be found in the legislative financial statement of the InvestEU proposal. The amounts after 2027 do not apply to InvestEU.

Finally, in order to allow for a swift implementation of the programmes proposed, the Commission has reserved approximately EUR 1.4 bn¹ for the EU's participation in the EIF capital increase, which could cover the cash part of any such capital increases (paid in portion and share premium). The resources are distributed as follows:

- A financial envelope of up to EUR 500 000 000 should be reserved in the revised 2014-2020 Multiannual Financial Framework under the amendment of the EFSI regulation for a capital increase undertaken in 2020.
- A financial envelope of up to EUR 900 000 000 should be reserved in the Multiannual Financial Framework 2021-2027 for a capital increase undertaken in the years 2021-2027. Therefore, this amount does not come from the share under Next Generation EU but is part of the resources allocated under the next MFF.

We hope that this letter can help providing some clarification regarding the new InvestEU proposal in the wider context of the proposed recovery instrument. Finally, we appreciate and would like to thank you for your valuable inputs and good cooperation in the process of setting up the InvestEU Programme. We are committed to continue supporting European SMEs – also thanks to the financing delivered through your members – to maintain a prosperous, competitive and innovative Europe.

Yours sincerely,

¹ In its Communication, the Commission referred to € 1.5 bn, which was a rounded figure.

(e-signed)

Kerstin JORNA
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Industry, Entrepreneurship and SMEs

(e-signed)

Maarten VERWEY
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