



European Parliament

MEP Jose Manuel Fernandes
MEP Irene Tinagli
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Council of the European Union Presidency

Permanent Representation of Germany to the EU
Mrs. Nicole Rosin
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1040 Brussels, Belgium

European Commission

Directorate General Economic and Financial Affairs
acting Deputy Director General II Mr. Maarten Verwey
Rue de la Loi 200
1049 Brussels, Belgium

Brussels, 22 October 2020

InvestEU

Dear Members of the European Parliament, dear Mrs. Rosin, dear Mr. Verwey,

The InvestEU guarantee instrument will become the next important step to foster projects in the interest of European citizens and the economy and to overcome the economic impact of the current crisis. Many of our members have started or even finished the pillar assessment process. This underlines their intention to become “other Implementing Partners” (IPs) and we are keen to support the European initiative by providing very specific capabilities as well as access to markets at local, regional and national level. The long-lasting cooperation of our members with the EIB and the EIF will help to finance even more projects, platforms and programmes with the support of InvestEU guarantees. We also would like to draw your attention to the fact that some IPs will, in parallel, have the role of a financial intermediary. They might be an intermediary for a financial product via the EIB Group and have at the same time the role of an IP. Others will exclusively act as financial intermediary and will build on longstanding cooperation with the EIB Group.



We are following the ongoing negotiations of the EU Institutions and we appreciate the progress made so far. Potential IPs have expressed their views about the InvestEU programme^{1,2,3} which underlines our strong commitment to contribute to the implementation of the guarantee instrument. Similar to the EIB group we understand the open, fruitful and intensive dialogue with the EU Institutions as a partnership between the EU and IPs.

Against this background we would like to draw your attention to the increasing concerns of our members during the course of the overall debate. Looking from the perspective how to implement the instrument in practical terms the following topics trigger internal discussions within our members:

- The limited budget will lead to small(er) guarantee amounts for single IPs. This amount might not justify necessary adaptations of internal processes.
- No clarity about InvestEU as of 2024 since the largest part of InvestEU allocated under demand driven financial instruments should be available over the entire period.
- An increasing number of policy goals against the background of a reduced budget will overstretch the instrument.
- An increasing number of different rules to be covered (on top of the internal rules for approval) for each project/programme/investment-platform in the phase of application as well as in the phase of guarantee coverage (environmental proofing, social proofing, climate tracking, reporting, etc.)
- It is not clear what the Commission – EIB partnership means in the phase of application and during the period of coverage.
- The timing is extremely tight since the 1st call for IPs can be released only after an agreement about the InvestEU-, MFF- and Next Generation EU proposals as well as the adoption of the secondary legislation.
- The fact that the EIB Group only should be entitled to submit projects to the Investment Committee immediately after entering into force of the InvestEU regulation (“warehousing”, new article 34, 5.) raises additional concerns about the level-playing field of all Implementing Partners.

None of these topics alone would lead to a decision to abstain from an implementation of the InvestEU instrument but the cumulation might make the implementation extremely difficult if not impossible for some members regardless of their size. We think that you should be aware of these ongoing discussions and concerns which might lead in the worst case to a damage of the idea to broaden the base of Implementing Partners and the inclusion of their specific capabilities, market access and financial strengths. Please rest assured that our

¹ ELTI position paper: <https://www.eltia.eu/publications/elti-publications>

² AECM/NEFI/SME United position paper: https://aecm.eu/wp-content/uploads/2020/09/202008_Position-paper-on-the-current-MFF-negotiations_AECM-NEFI-and-SMEunited.pdf

³ EAPB position paper: <https://www.eapb.eu/component/attachments/attachments.html?id=2085>



members, whose vast majority have public shareholders, will continue to do everything possible to implement InvestEU and to make this instrument a success.

We are happy to discuss further if you deem this useful.

Kind regards

A handwritten signature in blue ink that reads 'Katrin Sturm'.

Katrin Sturm
Secretary General
AECM

A handwritten signature in blue ink that reads 'Marcel Roy'.

Marcel Roy
Secretary General
EAPB

A handwritten signature in blue ink that reads 'H. von Glasenapp'.

Helmut von Glasenapp
Secretary General
ELTI

cc:

European Commission

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AECM Interest Representative Register ID number: 67611102869-33

ELTI Interest Representative Register ID number: 8754829960-32

ELTI Interest Representative Register ID number: 9779800112556-82

About AECM, EAPB and ELTI:22

The 48 members of the **European Association of Guarantee Institutions (AECM)** are operating in 30 countries in Europe. They are either private sector guarantee schemes or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs that have an economically sound project but do not dispose of sufficient bankable collateral. AECM's members operate with counter-guarantees from regional, national and European level. At the end of 2019, AECM's members had over EUR 111 billion of guarantee volume in portfolio, thereby granting guarantees to about 2.8 million SMEs. AECM's members are one of the most important counterparts of the EIF concerning EU counter-guarantees, handling EU guarantees from the very beginning in 1998.

The **European Association of Public Banks (EAPB)** is the voice of the European public banking sector. EAPB represents, directly and indirectly, over 90 financial institutions with overall total assets of over € 3.500 bn and 15% market share of the European financial sector. EAPB members are national and regional promotional banks, municipality-funding agencies and public commercial banks across Europe. EAPB members provide financial services and funding for projects that support sustainable economic and social development with, amongst others, activities ranging from the funding of companies and the promotion of a greener economy to the financing of social housing, health care, education and public infrastructure at national, regional and local level.

Members of the **European Association of Long-Term Investors (ELTI)** represent a European-wide network of 32 major long-term investors. The Full Members of ELTI are generally national, official, financial institutions dedicated to the promotion of public policies at national and EU level. They represent a combined balance sheet of over Euros 1.7 trillion. ELTI also includes the European Investment Bank (EIB) as a permanent observer and multilateral financial institutions, regional financial institutions and non-banking institutions, such as associations, under the status of Associated Members. With its combination of members that represent almost all Member States, ELTI bears a unique and coherent European perspective on long-term investment and its members offer a wide range of financial solutions tailored to the specific needs of their respective country and economy.