***Disclaimer:*** *This is a draft fiche for a financial product under the EU compartment of the InvestEU Fund based on features included in the draft investment guidelines. The financial product fiche is intended to facilitate discussion with potential Implementing Partners. It has not been adopted or endorsed by the European Commission. Any views expressed are the preliminary views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission. The information transmitted is intended only for the entity to which it is addressed for discussions and may contain confidential and/or privileged material. This financial product fiche is meant to serve as an example for the financial product herein described. It shall not pre-empt policy prioritisation or any other aspects related to InvestEU Financial Products. An implementing partner can focus on one or more policy areas targeted by this financial product. The financial product fiches should be read in combination with the policy cover notes per policy window.*

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| **1.** | **Policy Window(s)** | Sustainable Infrastructure window  Research, Innovation and Digitisation window  SME window  Social Investment and Skills window |
| **2.** | **Policy Objective(s)** | Financing and investment operations under this product shall be directed to the development of social infrastructure and services. These operations should support the delivery of the European Pillar of Social Rights, which advocates the right to access to quality services for everyone. Therefore, the operations should enhance access to quality social infrastructure and services through increasing provision and safeguarding access criteria for people in vulnerable situations. These operations should be in line with the InvestEU Regulation, Annex II point 11 and section 4.4.1 of the Investment Guidelines.  Moreover, they should be linked and or based on the recommendations of the regional or local social strategies (such as social inclusion, antipoverty, social urban/rural planning, disability inclusion, combatting homelessness and housing exclusion); be based on quantified gaps in access to social infrastructure and services; demonstrate that supported facilities and services would apply respective quality standards (eg.: European, national, regional, sector-based) and UN conventions (in particular independent living, as stated in the Article 19 of the United Nations Convention) and will not lead to segregation or inequality; demonstrate that supported facilities and services will facilitate access for everyone (including people with disabilities, people living below poverty threshold [and those threatened by social exclusion]) through adapting user charges if relevant.  With regards to affordable social housing, particular focus will be on delivering housing solutions that pursue the objective of lifting people from social exclusion in line with the objectives identified in the IGs in section 4.4.1. |
| **3.** | **Product Name** | **InvestEU for Social Infrastructure and Services (Direct debt)**  *- General product* |
| **4.** | **Rationale, Objectives and Expected Impact** | Please refer to the policy cover note |
| **5.** | **New /existing product** | New InvestEU financial product  Continuation of existing EU financial support mechanisms  [to be developed by the implementing partner based on their experience] |
| **6.** | **Targeted Sectors** | The product may cover any of the sectors referred in Annex II, point 2 of InvestEU Regulation with a specific focus on infrastructure related to health, education and training including early childhood education and care and student housing affordable social housing, social services, in particular delivered at community level, social infrastructure and services aimed at the inclusion of people with disabilities into education and training, health, employment and other services and infrastructure. All supported operations should be disability inclusive and accessible.  The Implementing Parter shall propose which particular sector it would want to target to ensure complementarity with its existing product range and additionality under InvestEU. |
| **6a** | **Policy prioritisation** | Policy prioritisation shall be determined in line with the provisions of section 2.3.2.1 of the Investment Guidelines. |
| **7.** | **Targeted Recipients** | This product targets projects that fulfil eligibility criteria and policy objectives. Final recipients listed in Section 4.4.2.2 of the Investment Guidelines may be eligible for support, in particular:.   * Natural persons:   + Persons in vulnerable situations (such as persons experiencing or at risk of social exclusion, including persons who are homeless or who live in severe housing deprivation, persons who have lost or are at risk of losing their job, or have difficulties entering or re-entering labour market, third country nationals, persons in a disadvantaged position with regards to access to the conventional credit market who wish to start up or develop their own micro-enterprises;   + children, parents, teachers and school administrators;   + potential or current students and learners (including adult learners). * Enterprises:   + micro-enterprises, including self-employed, especially micro-enterprises which employ vulnerable persons;   + social enterprises;   + public enterprises in the area of social infrastructure;   + SMEs;   + Other private sector companies. * education, training and related service providers, including European Universities, schools, centres of vocational excellence and providers of early childhood education and care; * special-purpose vehicles; * associations, foundations, mutuals and cooperatives; * non-governmental organisations; * public authorities; * health authorities, health service providers, technology providers, healthcare professionals, patients, citizens; * In the field of social infrastructure, the targeted final recipients may be project promoters, operators of buildings/facility managers, social housing providers, public-private partnerships. |
| **8.** | **Targeted Geography** | All EU MS  Selected MS *(please specify)*  Other countries *(please specify)*  The Implementing Partner shall propose which particular geography it would want to target to ensure complementarity with its existing product range and and additionality under InvestEU. |
| **9.** | **Implementation period** | In line with Article 10(2) of the InvestEU Regulation, implementation period of the financing or investment operations under the financial product:  *Approval: until 31 December 2027*  *Signature: until 31 December 2028* |
| **10.** | **Type of financing** | Direct financing (*including co-investments and guarantees to third party financiers in line with IGs section 2.3.1) of Targeted Recipients* by Implementing Partners  Intermediated financing through Financial Intermediaries |
| **10.a** | **Eligible Financial Intermediaries**  *(if applicable)* | N/A |
| **10.b** | **Financial Intermediaries’ Financial Needs**  *(if applicable)* | N/A |
| **10.c** | **Type of product provided by the Implementing Partner to the Financial Intermediary**  *(if applicable)* | N/A |
| **10.d** | **Type of product Provided by the Financial Intermediary to the Final Recipient**  *(if applicable)* | N/A |
| **11.** | **Type of product provided by the Implementing Partner to the Final Recipient (direct financing)**  *-if applicable* | Loan  Guarantee  Equity  Other *(please specify) debt financing which term may include loans, guarantees, letters of credit, securities (listed or unlisted) and standby credit facilities, in each case with or without warrants or other rights attached; which may be senior, mezzanine or subordinated as further specified in the guarantee agreement,*  *In specific cases, if justified by the type of financing provided by the Implementing Partner, the operation covered by the EU Guarantee could be limited to cover a specific phase of the project (e.g. construction risk, uptake risk).* |
| **12.** | **Amounts / maturity per final recipients** | Minimum amount per financing or investment operation supported by InvestEU shall be [€5m].  Support shall be provided for long-term financing, with a tenor typically ranging from [5 to 25] years. Shorter or longer maturities can only supported if duly justified by the nature of the project or relevant market failures. |
| **13.** | **Blending** | Yes  No  No blending is foreseen for this product, while combination may happen at the project level in case contributions from the shared management programmes are present. |
| **14.** | **Size of the Product** | Total amount of the EU Guarantee to this financial product shall amount to €[X]\* million.  Option 1: Portfolio FLP:  Portfolio First Loss Piece (PFLP) contribution: up to €[X]\* million corresponding to a contribution to the PFLP of approximately\*\* 20% of the overall amount of financing to be provided by the implementing partner under the product, with   * EU Guarantee contribution to the PFLP: up to €[X] million and * Implementing Partner contribution to the PFLP: up to €[X] million.   Implementing Partner residual risk contribution: approximately €[X] million  Total product size: approximately X] million  *Option 2 – pari passu*  Total aggregate amount of the EU Guarantee for support of individual operations on a pari passu basis shall amount to €[X]\* million.  *Option 3 – Mezzanine tranche*  IP coverage of the Portfolio First Loss Piece (PFLP) of up to €[X]\* million corresponding to approximately\*\* 20% of the overall amount of financing to be provided by the implementing partner under the product.  EU Guarantee of the mezzanine tranche of up to €[X] million and corresponding to a contribution of approximately\*\* 20% of the overall amount of financing to be provided by the implementing partner under the product. The EU guarantee is senior in ranking to the PFLP exposure.  The residual risk shall be covered by the IP.  *\*The figures are illustrative and do not represent the Commission’s view on a possible envisaged allocation of the guarantee to a particular product. \*\*The figures may vary depending on the modalities of the contribution to the PFLP of the signed operations.* |
| **15.** | **Pricing (only relevant for debt/guarantee products)** | Free of charge  Partially priced  Fully priced  *- To be discussed, depending on the targeted areas of intervention* |
| **16.** | **Guaranteed Amounts** | In line with Article 16 (2) of the InvestEU Regulation, [the EU Guarantee shall cover, as applicable, principle and all interest and amounts due to the implementing partner but not received by it in accordance with the terms of the financing or investment operations until the event of default, (for subordinated debt a deferral, reduction or required exits shall be considered to be an event of default), restructuring losses, losses arising from currencies fluctuations other than the euro in markets where possibilities for long-term hedging are limited. |
| **17.** | **EU Guarantee coverage provided to the Implementing Partner** | First Loss Contribution  Pari-passu  Other arrangements  In line with section 14. The IP can select one or more of the options above. |
| **18.** | **Risk Sharing with the Implementing Partner** | Risk-sharing of First Loss piece: [5] % of contribution to PFLP by the Implementing Partner  Residual Risk Tranche ('Second Loss Piece'): [100] % contribution by the Implementing Partner  Pari-passu for the whole instrument  Other arrangements mezzanine coverage: *IP covers the FLP and the EU Guarantee the mezzanine tranche.*  *[Revenue shall be shared between the EU Guarantee and the implementing partners or a guarantee fee shall by charged as defined in the guarantee agreement.]* |
| **19.** | **Structure / Features** | Option 1 – Portfolio FLP:  The EU shall provide up to [95%] of the contribution to PFLP for a debt standard portfolio constructed in line with the provisions of the guarantee agreement. The implementing partner shall contribute at least [5%] to the PFLP.  The contributions to the PFLP for specific operations could differ based on the riskiness of the underlying projects, policy prioritisation as per Section 6a and counterparts, and will allow for a progressive increase of the PFLP in line with the increase of the guaranteed portfolio.  Retained by Implementing Partner  Covered by InvestEU guarantee  Residual loss (retained by IP)  First-loss (approx. 20%): EU Guarantee up to [95%]; IP min. [5%]  *Option 2 – pari passu*  The EU guarantee shall partly cover individual operations on a pari passu basis. The maximum exposure of the EU guarantee on an individual operation is 50% of the financing provided by the IP.  Residual risk is covered by the IP on a pari passu basis.  IP  COM  *Option 3 – Mezzanine tranche*  The EU guarantee shall cover a mezzanine tranche in respect of the relevant portfolio of operations financed by the IP.  IP  COM  IP |
| **20.** | **Currency** | *EUR or any other EU currencies.* |
| **21.** | **Events triggering the use of the EU Guarantee** | To be determined in the guarantee agreement in accordance with Article 14.2(c) and 16.2 of the InvestEU regulation. |
| **22.** | **State Aid considerations** | In case of combination with state resources in the implementation of the product described in this fiche, the dedicated GBER part will apply. |
| **23.** | **Reporting** | Indicators (KPIs/KMIs to be defined)  Reporting will be done in line with Article 22(5) of the InvestEU Regulation. |
| **24.** | **Other** | N/A |