



## Investment Committee of the InvestEU Fund

Meeting no 33 of 29 October 2024

Online

### EIF SMEW Framework Operation #44 for SME Competitiveness Guarantee higher risk category 4 (Export Credit Portfolio Product) INVEU-ICR-0070-2024 – Small and Medium-sized Enterprises Window (SMEW)

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

Financial intermediaries	National export credit agencies (ECAs)
Type of the final recipient	SMEs and Small Mid-Caps
Country of implementation	Broad geographical coverage across Member States, OCTs and Other Participating Countries (Norway, Iceland), with benefit for Ukraine
Implementing partner	European Investment Fund (EIF)

The present Framework Operation aims to support SMEs and Small-Mid Caps established and operating in Member States (and other InvestEU participating countries, currently Norway and Iceland) exporting to entities in Ukraine.

The EIF will contribute to this objective by providing (counter)-guarantees to financial intermediaries (ECAs) with an exclusive eligibility focus on final recipient transactions aimed at financing or guaranteeing purchases made by companies based in Ukraine (the importers) of goods and services provided by SMEs and small mid-caps operating in the geographies eligible under Invest EU (the exporters). The types of final recipient transactions envisaged to be covered under the Pilot will be in the form of export credit risk cover instruments, export credit guarantees, letters of credit and trade finance.

#### Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 29 October 2024 for the above-mentioned framework operation.

Since the beginning of the war, there has been a material decrease in EU exports to Ukraine. In this regard, promoting trade between the EU and Ukraine has become a top priority for the EC. To enable trade, the availability of export credit solutions remains critical, however, it has been significantly reduced since the outbreak of the war, given the associated risks and uncertainties.

Under this Framework Operations, the EIF will contribute to this objective by supporting financial intermediaries (export credit agencies) that will provide export credit cover to final recipients meeting the relevant product eligibility criteria of Higher risk category.

Export credit covers are currently either only available to a limited extent or missing altogether. The support provided to target final recipients is made with more favourable terms, compared



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to the standard credit and collection policies of financial intermediaries. Hence this product envisages to ensure availability of such support.

Additionality shall be deemed to be met via each Sub-Project as financial intermediaries will originate final recipient transactions which currently carry a higher risk profile than the risk generally deemed acceptable by such intermediary, and in particular implementing financing solution (export credit cover). The Export Credit Guarantee Product will enable the EIF to support the ecosystem at a scale that would not be possible or not to the same extent out of other EIF-managed resource for that purpose.