

InvestEU Call for Expression of Interest

Information Note on availability of additional resources and applicability of additional terms and conditions for the Sustainability Guarantee Product and SME Competitiveness Guarantee Product stemming from the InvestEU Member State Compartment in Bulgaria

All capitalised terms and expressions not defined in this Information Note shall have the meaning given to those terms in the InvestEU Call for Expression of Interest.

This Information Note was published on 7 February 2023.

The present Information Note anticipates the additional exclusion criteria, applicable state aid regime and increased guarantee capacity with regards to the [SME Competitiveness Portfolio Guarantee](#) Product and [Sustainability Portfolio Guarantee](#) Product described in the [InvestEU Call for Expression of Interest](#) to be implemented as part of the Member State Compartment in Bulgaria.

The aforementioned guarantee products in Bulgaria will be deployed via the InvestEU Member State Compartment for Bulgaria, using resources stemming from Bulgaria's Recovery and Resilience Fund (RRF) as described in [Council Implementing Decision on 7 April 2022 COM\(2022\) 172](#)¹.

These resources will be made available to the market after the following two step process has been accomplished. The first step has already been completed and consists of the signature of the Contribution Agreement to the InvestEU Member State Compartment for Bulgaria between the European Commission and the Government of Bulgaria, which took place on 7 November 2022. The second step consists of an amendment of the InvestEU Guarantee Agreement introducing the Member State Compartment for Bulgaria which is expected to be signed between the European Commission and the EIF in Q1 2023.

Without prejudice to the foregoing, under [InvestEU Call for Expression of Interest](#) EIF may already start pre-selecting applicants for the eligible guarantee products under the Member State Compartment in Bulgaria as of the publication date of this Information Note.

Applications of potential financial intermediaries based in Bulgaria under the InvestEU Call for Expression of Interest for the capped Sustainability Portfolio Guarantee and SME Competitiveness Portfolio Guarantee in respect of the EU Compartment will be assessed simultaneously for the additional resources to be made available under the Member State Compartment in Bulgaria.

However, the signatures of individual guarantee agreements with financial intermediaries utilizing the guarantee capacity of the Member State Compartment in Bulgaria shall be subject to the aforementioned amendment of the InvestEU Guarantee Agreement to be signed between the European Commission and EIF.

Update as of 4 September 2023 (date of publication):

On 10 August 2023, the InvestEU Guarantee Agreement was amended allowing for the implementation of the Member State Compartment for Bulgaria. In accordance with this amendment, the relevant products under the Member State Compartment for Bulgaria are not subject to State aid rules. As a result, the provisions listed in the below mentioned table under the headings: 1) "State aid"; 2) "Applicable (Counter-) Guarantee Cap Rate", and 3) "Minimum Maturity of the Final Recipient Transaction" shall no longer be applicable, and the respective provisions will be aligned with those applicable under the InvestEU EU Compartment.

¹ [EUR-Lex - 52022PC0172 - EN - EUR-Lex \(europa.eu\)](#)

For the avoidance of doubt, the provisions listed under the “Do No Significant Harm Principle” and the “Applicable Guarantee Fee” headings apply.

Indicative Terms and conditions

The InvestEU Call for Expression of Interest [Direct Guarantee](#) and [Counter-Guarantee](#) in respect of the EU Compartment as well as the Sustainability Portfolio Guarantee and SME Competitiveness Portfolio Guarantee term-sheets (including the relevant eligibility criteria, save where varied or supplemented pursuant to requirements attached to the Member State Compartment resources) are applicable to the Member State Compartment for Bulgaria with some additional and /or modified terms and conditions as detailed here below.

Under the Member State Compartment for Bulgaria, the Sustainability Portfolio Guarantee Product and SME Competitiveness Portfolio Guarantee Product (for Higher risk 1 and Higher risk 2 categories) shall be offered in the form of capped guarantees, exclusively on the territory of the country.

The applicants are informed herewith that the following indicative provisions will apply to both the Sustainability Guarantee Product and SME Competitiveness Guarantee Product deployed as part of the Member State Compartment in Bulgaria.

<p>Do No Significant Harm Principle</p>	<p>Compliance with the ‘Do no significant harm’ Technical Guidance (2021/C58/01) is ensured through the use of InvestEU sustainability proofing and an exclusion list as further detailed below.</p> <p>The following activities and assets are excluded from eligibility:</p> <ul style="list-style-type: none"> (i) activities and assets related to fossil fuels, including downstream use, except projects in power and/or heat generation, as well as related transmission and distribution infrastructure, using natural gas, that are compliant with the conditions set out in Annex III of the ‘Do no significant harm’ Technical Guidance (2021/C58/01); (ii) activities and assets under the EU Emission Trading System (ETS) achieving projected greenhouse gas emissions that are not lower than the relevant benchmarks²; and (iii) activities and assets related to waste landfills, incinerators³ and mechanical biological treatment plants⁴ <p>Additional applicable technical details and specifications will be made available in the guarantee agreement with financial</p>
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² Where the activity supported achieves projected greenhouse gas emissions that are not significantly lower than the relevant benchmarks an explanation of the reasons why this is not possible shall be provided. Benchmarks established for free allocation for activities falling within the scope of the Emissions Trading System, as set out in the Commission Implementing Regulation (EU) 2021/447.

³ This exclusion does not apply to actions under this measure in plants exclusively dedicated to treating non-recyclable hazardous waste, and to existing plants, where the actions under this measure are for the purpose of increasing energy efficiency, capturing exhaust gases for storage or use or recovering materials from incineration ashes, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level

⁴ This exclusion does not apply to actions under this measure in existing mechanical biological treatment plants, where the actions under this measure are for the purpose of increasing energy efficiency or retrofitting to recycling operations of separated waste to compost bio-waste and anaerobic digestion of bio-waste, provided such actions under this measure do not result in an increase of the plants’ waste processing capacity or in an extension of the lifetime of the plants; for which evidence is provided at plant level

	intermediaries, including on the eligibility criteria for the SME Competitiveness Portfolio Guarantee Product and Sustainability Portfolio Guarantee Product.
State Aid	<p>The Financial Intermediary shall ensure, in respect of the Final Recipient Transactions included in the relevant Portfolio, compliance with applicable State aid rules on the basis of which Bulgaria will set up its aid schemes, in particular with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (as subsequently amended and supplemented from time to time), (“GBER”), in particular Articles 56f and 56e(10), depending on the specific aid schemes to be set up by Bulgaria.</p> <p>Should GBER be applicable, certain terms such as those set out below will apply:</p> <p>(a) the definitions of Obligor Limits and Maximum Principal Amount of a Final Recipient Transaction, as described in the Sustainability Guarantee Product and SME Competitiveness Guarantee Product term sheets, will be replaced by the specific rules indicated in GBER; and</p> <p>(b) Undertaking in Difficulty: In order to be eligible for support, a Final Recipient shall not be an undertaking in difficulty as defined by GBER, with the exception of:</p> <p>i) Undertakings which were not in difficulty on 31 Dec 2019 but became undertakings in difficulty during the period from 1 January 2020 to 31 December 2021; and</p> <p>ii) SMEs receiving aid under Article 56f.</p>
Applicable (Counter-) Guarantee Cap Rate	<p>In the case of a Capped (Counter-) Guarantee for the Sustainability Guarantee Product, the (Counter-) Guarantee Cap Rate shall be set up to the level of expected loss and unexpected loss.</p> <p>In the case of a Capped (Counter-) Guarantee for the SME Competitiveness Guarantee Product, the (Counter-) Guarantee Cap Rate shall be aligned with the EU Compartment.</p>
Applicable Guarantee Fee	<p>The Guarantee Fee for Capped Guarantees will be in line with the InvestEU pricing applicable for the EU Compartment.</p> <p>Final pricing shall be established in the Guarantee Agreements.</p>
Minimum Maturity of a Final Recipient Transaction	The scheduled minimum maturity of the Final Recipient Transactions shall be 6 months.