

Agenda

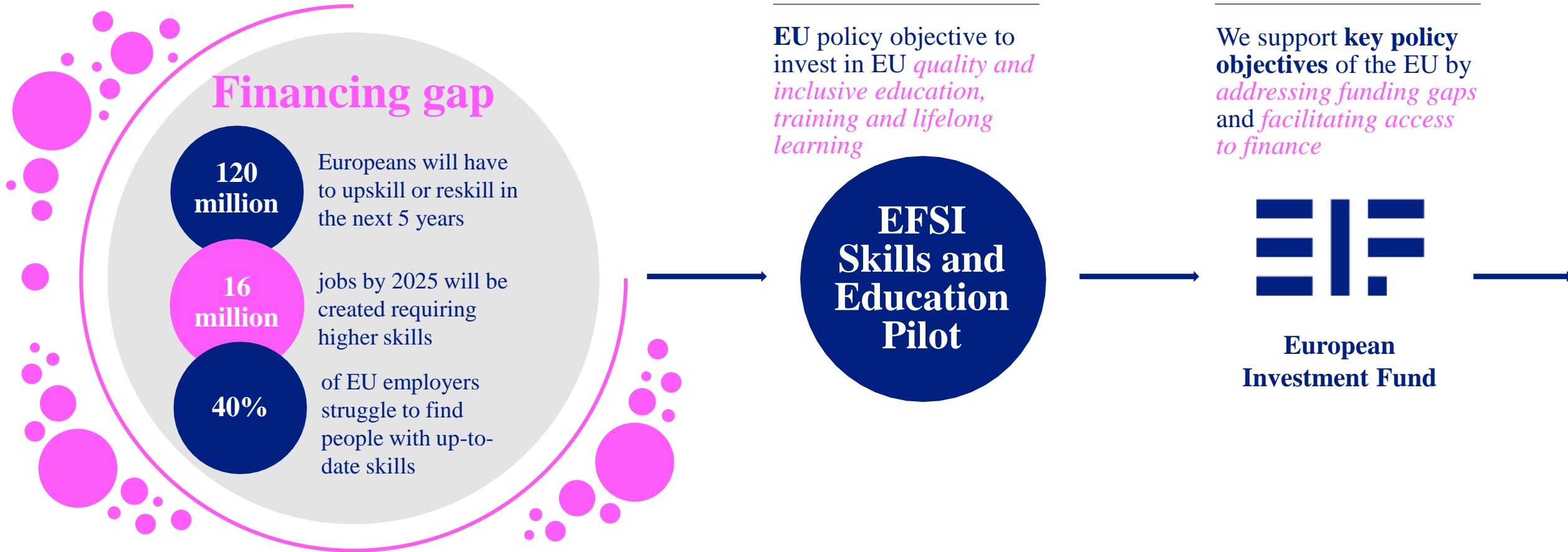
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The S&E guarantee pilot

The Skills and Education (S&E) guarantee pilot is a new debt financing initiative dedicated to stimulating access to finance in education, training and skills.

The Skills and Education guarantee

Tackling the EU skills and education financing gap

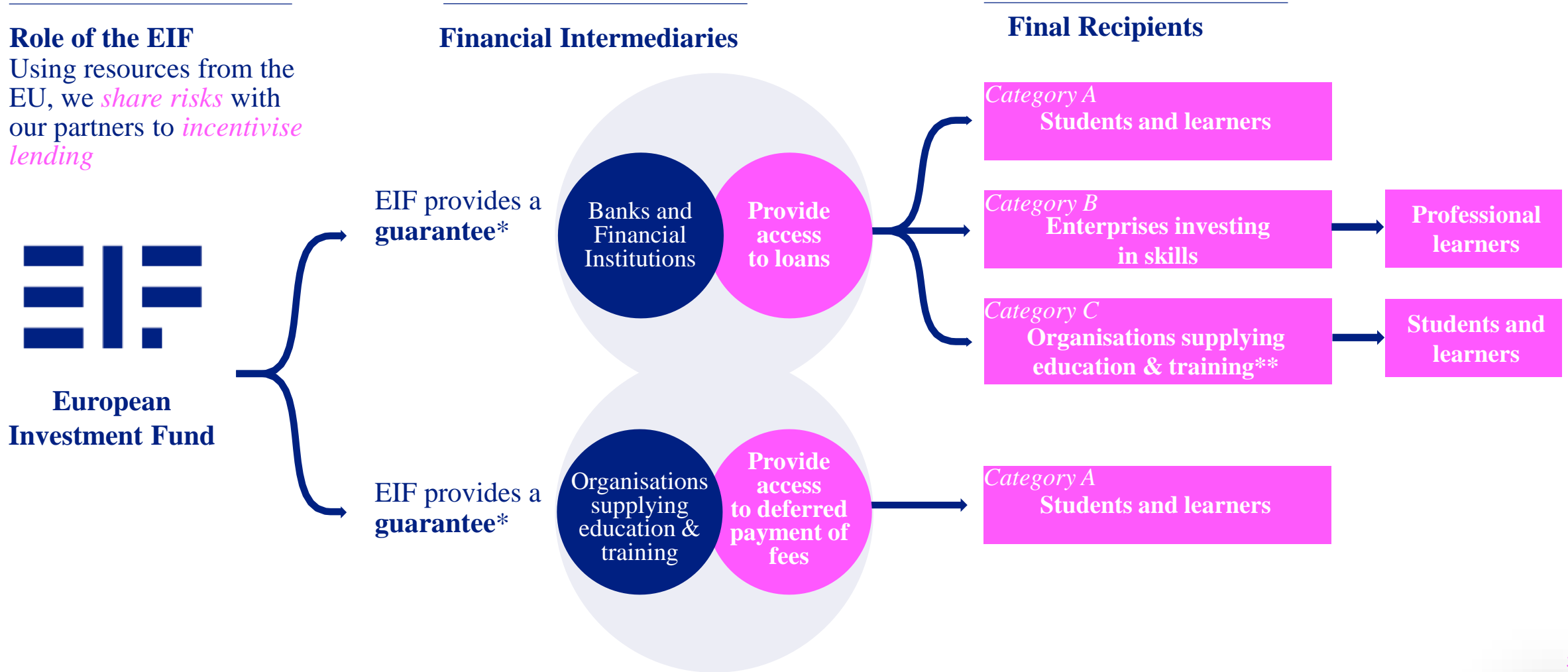


*Data according to *European Small Business Finance Outlook by EIF* and *SAFE, Access to Finance of Enterprises in the euro area*



The Skills and Education guarantee

Sharing risks with our partners



*Capped up to 25% of the guaranteed portfolio. **Or developing projects in the field of education.

Capped guarantee: key terms

*Under the S&E Pilot, EIF
provides a free of charge capped
portfolio guarantee to selected
Financial Intermediaries.*

Capped portfolio (counter-) guarantee

Key terms

Up to
80%

Guarantee rate of up to 80% on a transaction by transaction basis*

Up to
25%

Up to a maximum guarantee cap rate of 25%.

The cap rate is to be determined based on the portfolio of debt financing to be guaranteed

Free of charge

No guarantee fees are charged and no penalties are applied

* Transactions encompass loans, deferral of payments, etc to eligible final recipients.



Guarantee terms

Financial instrument	Capped portfolio guarantee
Guarantee rate	Up to 80%
Maximum guarantee cap rate	Up to 25%
Guarantee fee	Free of charge
Guarantee tenure	<ul style="list-style-type: none"> • 15 years for Category A Final Recipients • 10 years for Category B and Category C Final Recipients
Minimum financial intermediary risk retention	20%
Repayment terms	Can be defined specifically together with the Financial Intermediary
Coverage of accrued or capitalised interest	Up to Permitted Capitalised Interests as defined in the relevant Guarantee Agreement
Availability period	Generally up to 3 years

Financial Intermediaries

*Who can become an EIF partner
for the implementation of the
S&E Pilot?*

S&E partners

Lending and deferring payments under the S&E Pilot

Banks or other Financial Institutions:

- Any institution authorised to carry out debt financing or issue guarantees
- Based in a Member State of the EU
- Willing to provide loans or guarantees to eligible Final Recipients under any of the **Categories A, B, C**

*Organisations supplying education & training**

- Any provider of higher education and trainings, e.g. universities, VET providers
- Based in a Member State of the EU
- Willing and capable of operating a system of deferral of payments of fees for its own students / adult learners - eligible Final Recipients falling under **Category A**

* Or developing projects in the field of education.

Final Recipients and terms

*Who can benefit from financing
made available under the S&E
Pilot through EIF's partners?*

Eligible Final Recipients and terms

Summary

Financial intermediary	Banks or other financial institutions		
	Organisations supplying education & training*		
Final Recipients	Students and learners (Category A)	Enterprises investing in skills (Category B)	Organisations supplying education & training ² (Category C)
Client size	Individuals \geq 18 years	SMEs and Small Mid-Caps (<500 staff, including public entities)	Any entity/organisation of any legal form, engaged in an economic activity
Financing amount	Up to EUR 30k per student /learner	<ul style="list-style-type: none"> Up to EUR 2m / investment or working capital loan Limited to 2x direct planned costs Minimum 12 months 	<ul style="list-style-type: none"> Up to EUR 2m/ investment or working capital loan Minimum 12 months
Financing purpose**	Tuition fees, living, accommodation and transport fees, text books and other Expenses related to an “ eligible educational programme ”	Direct costs (i.e. fees, travel & subsistence, labour, training materials & premises) & Indirect costs, related to an “ eligible investment into skills ”	Investment or working capital loan related to an “ eligible business activity or project ”
Others	No collateral or parental (or other third party) guarantee	n/a	n/a

Eligible financing

Purpose of eligible financing, other debt financing and guarantees, per Final Recipient category

Students and learners

Cover costs of an *“eligible educational programme”*, such as:

- programmes under ISCED classifications 3-8
- programmes leading to nationally recognised qualifications
- trainings in digital skills
- trainings in labour market skills

Enterprises investing in skills

Cover costs of an *“eligible investments into skills”*, such as:

- apprenticeships
- programmes leading to nationally recognised qualifications
- traineeships
- student entrepreneurship
- digital skills
- trainings / other skills acquisition

Organisations supplying education & training*

Cover costs of entities carrying out an *“eligible business activity or develop an eligible project”*, such as:

- NACE CODE P business activity (min. 20% of the sales/turnover deriving from education/skills activity); or
- developing a NACE CODE P project

➤ NACE CODE P includes pre-primary education, primary education, secondary education, higher education, other education, educational support activities

*Or developing projects in the field of education.

How to apply

A quick guide to our Call for Expression of Interest and the necessary documentation and application process.

Four step process

To become a Skills & Education guarantee partner

1

Access documentation

An open Call for Expression of Interest is published on our website.

[Click to read](#)

2

Submit expression of interest

Submit relevant documentation before the deadline.

Application deadline:
31.10.2020

s-e-pilot@eif.org

3

Due diligence & approval

EIF will conduct a screening and, if pre-selected, a due diligence.

Negotiations on, e.g.:

- maximum fee deferral volume
- repayment terms for students/learners
- guarantee terms
 - guarantee rate
 - cap rate
 - availability period etc.

4

Guarantee agreement

If approved by the EIF's Board, guarantee agreement is signed.

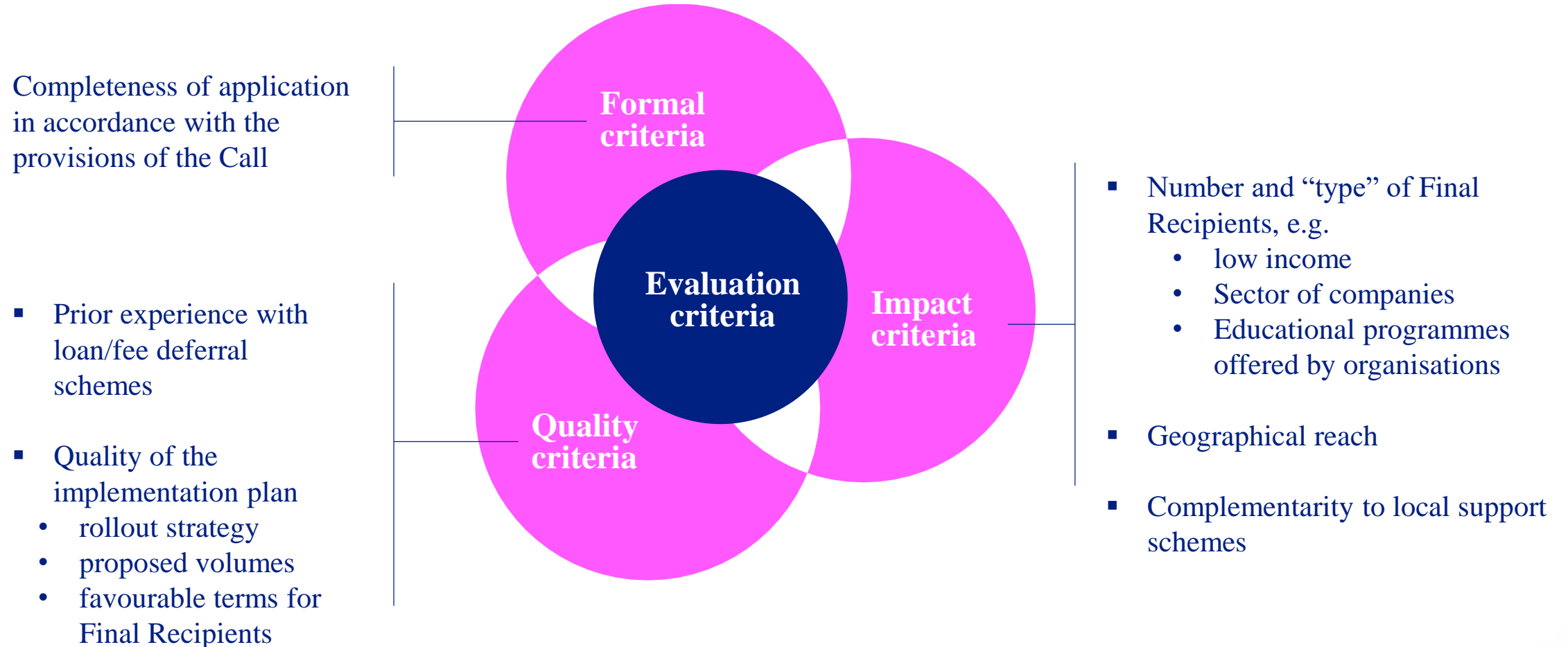
Marketing and roll out commences.

(Up to) 3 year inclusion period commences.

The selection process takes approx. 2 to 4 months (depending on quality of the information received)

Evaluation criteria

Each application is evaluated in chronological order using these criteria



Application documentation

Which information to submit

General information about your institution

Institution description	Business activity
	Geographical reach
Financial standing	
Operating principles	
Prior experience in offering loans or fee deferral schemes, including volumes	
Position in the market	

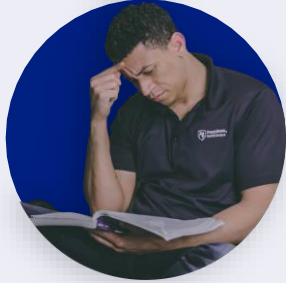
Specific information about the proposed loan/fee deferral scheme

Loans/Fee deferral characteristics	Envisaged volumes (number of Final Recipients)
	Average EUR amount of loan/fee deferrals foreseen
Complementarity with local support schemes	
Favourable terms for Final Recipients	Pricing e.g. interest rate reduction
	Grace periods
	Min/max maturity
Implementation strategy	Marketing plan
	Internal readiness (systems, procedures)

Implementing the guarantee

*Marketing and reporting
obligations.*

Marketing obligations



1

Promotion on your *website*



2

Reference to the S&E guarantee in your *promotional and contractual material*



3

Provide *case studies*



Reporting obligations

When to report?



Quarterly basis:

Starting from the first quarter end date following the start of the inclusion period under the guarantee agreement

What to report?



Final Recipient information (depending on the Category):

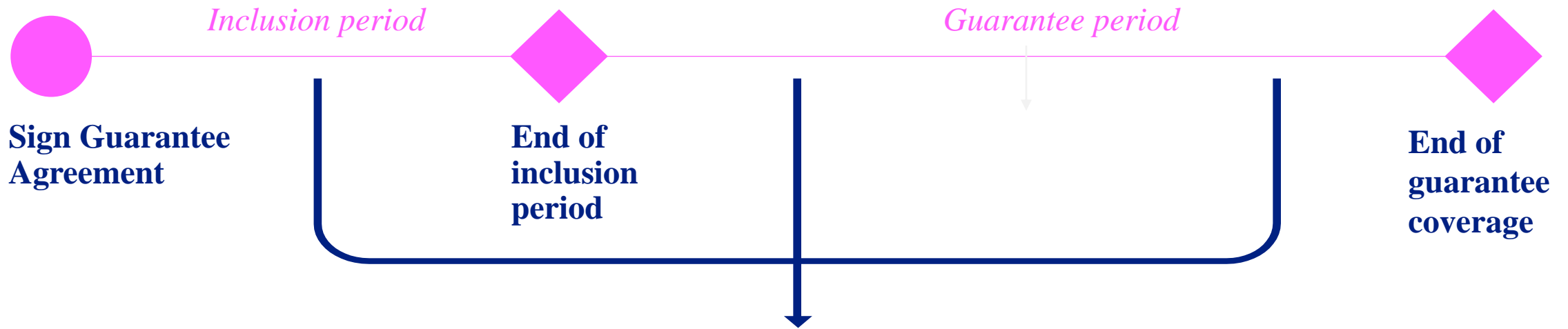
name, contact, gender, nationality, country, date of birth/establishment, labour market status, number of employees

Transaction information (depending on the Category):

amount, maturity, grace period, signature date, disbursement start date, duration of the studies, level of eligible educational programme, field of study, type of skills investment, purpose of financing, investment amount



Summary of the guarantee process



Reporting each quarter

Reporting on inclusions: line by line detail on each newly signed loan / fee deferral and already previously reported loan / fee deferrals to track repayment of exposures

Reporting on defaults and recovery procedures e.g. restructuring / modification of loans / deferrals

Monitoring visits

EIF may visit the Financial Intermediary and ask to review detailed documentation of a number of sampled reported loans / fee deferrals

Visit *eif.org* to access:

the *Call for Expression of Interest* (available [here](#))

Contact EIF's team: s-e-pilot@eif.org



Laoura Ntziourou

EIF – Mandate Mgt
l.ntziourou@eif.org



David González Martín

EIF – Mandate Mgt
d.gonzalezmartin@eif.org



Chiara Amadori

EIF – Guarantees
c.amadori@eif.org