

## Pan-European Guarantee Fund: Information note to the Call for Expression of Interest published on 31 August 2020

### Amendments to the Call for Expression of Interest

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The Call for Expression of Interest of the Pan-European Guarantee Fund – EGF was published on the EIF site on 31 August 2020.

Following the publication of the call, EIF services have identified a couple of points where editorial changes and/or additional clarifications could provide more clarity for applicants on the call requirements and EGF terms, as follows:

Section	Amendment/Insertion
Call for Expression of Interest, page 1	<p>The following paragraphs are deleted:</p> <p><del>The final version of the Call will be published as soon as the contractual documentation enacting the Pan-European Guarantee Fund is signed and enters into effect.</del></p> <p><del>Any interested financial intermediary shall make use of the currently published preliminary version of the Call for the purpose of filing their applications for the Pan-European Guarantee Fund. Any potential financial intermediary having filed an application prior to the publication of the final version of the Call will be informed of any deviations from this version (if any), once the final version of the Call is made available, and to the extent applicable to the product for which the expression of interest was submitted.</del></p>
Call for Expression of Interest, page 2, and new Annex XII	<p>The following paragraph is added, as well as the corresponding Annex XII:</p> <p>Given the EIB Group's commitments to Paris Alignment set out in the Climate Bank Roadmap<sup>1</sup>, EGF Operations appraised from the beginning of 2021 shall be subject to the relevant restricted sectors and activities. These include, without limitation and depending on the financing product being implemented: final recipients with a substantial focus<sup>2</sup> on certain sectors relating to e.g. fossil fuels or high CO2 emissions; or (for investment financing) restrictions on the purpose of the EGF supported financing, such as limitations in respect of vehicles to zero- or very low emissions thresholds. Further details are provided in Annex XII.</p>
Call for Expression of Interest, Section 4. Financial Intermediaries	<p>The paragraph is amended, as follows:</p> <p>Applicants and Participating Entities, including the managers of the Financial Intermediaries, shall represent that, <b>at the date the application is submitted</b>, they are not in any of the situations of exclusion, as further described in Annex I, as applicable, to this Call</p>

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<sup>1</sup> The EIB Group Climate Bank Roadmap 2021-2025 (eif.org), in particular Chapter 4 Supporting Paris-Aligned Operations and Annex 2 Paris Alignment Framework – Low carbon.

<sup>2</sup> As such term is used in the EIF Restricted Sectors Policy: [Guidelines on the EIF Restricted Sectors](#) (eif.org)

<p>Call for Expression of Interest, Section 5. Application Procedure</p>	<p>An additional paragraph is inserted, as follows:</p> <p>Interested Applicants shall submit, before the Deadline, by e-mail to the EIF a formal Expression of Interest in a PDF duly signed form to the relevant address indicated in Section 2 for each product. The Deadline applies to the receipt of the email by the EIF. <b><u>For the avoidance of doubt, applications shall only be submitted via e-mail. EIF does not accept paper applications.</u></b></p>
<p>Call for Expression of Interest, Section 5. Application Procedure</p>	<p>An additional paragraph is inserted, as follows:</p> <p>The Applicants may withdraw, in the same manner in which they applied, <b>i.e. via e-mail</b>, their Expression of Interest at any stage of the selection process.</p>
<p>Call for Expression of Interest, Section 6. Selection Process</p>	<p>The paragraph is amended, as follows:</p> <p>Those Applicants, whose Expression of Interest is rejected at any stage of the selection process, shall have the right to submit a written complaint by e-mail <del>and registered mail or professional courier service, to the same address used for the submission of the Expressions of Interest above</del>, within thirty (30) days of receipt of the rejection notice. Any complaints will be dealt within the framework of and in accordance with the EIB Group complaints policy.</p>
<p>Call for Expression of Interest, Section 8. Publishing of Information on the Financial Intermediaries</p>	<p>An additional paragraph is inserted, as follows:</p> <p>The EIF and EIB may publish on their websites the list of Financial Intermediaries with which the EIF concluded an Agreement under EGF, a list of the Financial Intermediaries invested in, and a list of final beneficiaries thereunder as further specified in the respective Indicative Term Sheets.</p> <p><b><u>For the avoidance of doubt, EIF may publish on their website or on any EGF related website, information relating to the approval of the relevant operation by the EIF, in line with and subject to the provisions of the Terms of Confidentiality.</u></b></p>
<p>Annex 1a Equity and Debt Funds Products - Expression of Interest</p>	<p>The EIF address on top of the page is replaced with the relevant e-mail addresses for each of the products, as follows:</p> <p>To:</p> <p>European Investment Fund</p> <p>Pan-European Guarantee Fund</p> <p>Equity Investments &amp; Guarantees Department</p> <p>37B, avenue J.F. Kennedy L - 2968 Luxembourg</p> <p><u>EGF_Equity@eif.org</u> OR</p> <p><u>EGF_Senior_Private_Credit@eif.org</u> (only for Senior Private Credit applications)</p>
	<p>In Appendix 2, the first paragraph is amended, as follows:</p>

	<p>'The Applicant <del>should</del> <b>must</b> provide sufficient information for the EIF to be able to assess the criteria listed in Section 6.1 of the Call for Expression of Interest, in addition to the applicable fields as per below'</p> <p>An additional paragraph is inserted at the end of the table, as follows:</p> <p><b><u>'For the avoidance of doubt, in case of insufficient information being provided relevant to the criteria listed in Section 6.1 of the Call for Expression of Interest, the Application cannot be analysed and it will therefore be automatically not retained.'</u></b></p>
Annex 1b Guarantee Products - Expression of Interest	<p>The EIF address on top of the page is replaced with the relevant e-mail addresses for each of the products, as follows:</p> <p>To:</p> <p>European Investment Fund Pan-European Guarantee Fund Equity Investments &amp; Guarantees Department <del>37B, avenue J.F. Kennedy L - 2968 Luxembourg</del></p> <p><u>EGF_Portfolio_Guarantees@eif.org</u></p>
Annex 1a Equity and Debt Funds Products - Expression of Interest and Annex 1b Guarantee Products - Expression of Interest	<p>A footnote is inserted in the first paragraph, and the following paragraphs are amended, as follows:</p> <p>For the purpose of the EIF Transparency Policy, as further specified in Appendix 3, and subject to the approval of the relevant operation by the EIF the [Applicant], by signing this form<sup>1</sup>:</p> <p>[Please tick as appropriate]</p> <p>confirms that the Applicant agrees with the disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) <del>in the Board minutes published on EIF's website, following the approval and signature of said minutes</del> <b>in accordance with the Terms of Confidentiality, listed in Annex.</b></p> <p>OR</p> <p>declares that (i) the Applicant requests the non-disclosure of summary information relevant to this transaction (the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources) <del>in the Board minutes published on EIF's website, following the approval and signature of said minutes</del> and (ii) such disclosure would undermine the protection of commercial interests<sup>3</sup> relevant to the operation.</p> <p><b><u><sup>1</sup> For the avoidance of doubt, this is without prejudice to any publication made by EIF in line with the Terms of Confidentiality</u></b></p>
Annex II Existing Funds	<p>pg. 5, the Product Requirements is amended as follows:</p>

Top-Up Facility indicative term sheet	EIF will seek to promote the use of <del>quasi-equity</del> <b>hybrid-debt equity</b> instruments for investments in Target Final Recipients given their less-dilutive nature and ability to defer the valuation setting. Use of <del>quasi-equity</del> <b>hybrid-debt equity</b> instruments will provide for higher ranking of the resources invested through side vehicles in comparison to the typical equity financing provided by the main Financial Intermediaries in the same Target Final Recipients
Annex IV Target Fund Size Facility indicative term sheet, pg. 1	The following acronym is added: Product: Target Fund Size Facility (" <b>TFS</b> ")
Annex VI Selective Loan Funds indicative term sheet, pg. 4	Once seen as a relatively niche offering, European <del>private credit alternative</del> <b>credit</b> is now a recognised source of financing which can be tailored to meet the needs of Target Final Recipients and can be adapted to longer-term financing needs in light of the current market situation
Annexes II, III, IV, V, VI and VII (equity and Senior Private Credit term sheets)	<p>The Mid-Cap Definition is amended, as follows:</p> <p>Mid-Cap means an entity with <b>up to</b> <del>fewer than</del> 3000 full-time equivalent employees that is not a SME, nor a Small Mid-Cap.</p> <p>At the end of (product) requirements, an additional paragraph is inserted, as follows:</p> <p><b><u>'The Minimum Allocation shall be reflected in the fund documentation'</u></b>.</p> <p>The Investor Base of the Financial Intermediary term is amended, as follows:</p> <p>At least 30% of total commitments to Financial Intermediaries, excluding the EIF EGF Investment are made by independent private investment sources. <del>(as set forth below):</del></p> <ul style="list-style-type: none"> <li><del>• EIF/EIB own resources, invested at own risk and excluding public parts of mandates</del></li> <li><del>• Financial institutions (investing at own risk and from own resources)</del></li> <li><del>• Private endowments &amp; foundations Family offices &amp; Business Angels (including joint investment vehicles set up by/with Business Angels)</del></li> <li><del>• Corporate investors</del></li> <li><del>• Insurance companies</del></li> <li><del>• Pension funds</del></li> <li><del>• Private individuals</del></li> <li><del>• Academic institutions (including universities and public and private research institutions)</del></li> <li><del>• National promotional banks/institutions investing own resources, for their own risk, and on commercial terms</del></li> <li><del>• fund-of-funds provided that they invest exclusively on commercial terms and are managed or advised by a privately held asset manager, save that:</del></li> </ul>

	<p><del>any fund-of-funds fully funded by state budget resources shall not be considered an independent private investment source;</del></p> <p><del>where a fund-of-funds is partially funded by state budget resources, in pari passu with private resources invested on commercial terms, the investment made by such a fund-of-funds into a Fund or Side Fund shall be considered as an independent private investment source pro rata to the amounts invested by the fund-of-funds which are funded by private resources.</del></p> <p>Other categories of investors may also be considered private investment sources (e.g. sovereign wealth funds or fund-of-funds) where the resources invested are generated by commercial activities and are invested on commercial terms.</p> <p>For the purpose of the above provisions, state budget resources shall include European Structural and Investment Funds</p> <p>In assessing compliance with the above requirements, the EIF may rely on a declaration, representation or undertaking from the Side Financial Intermediary.</p>
<p>Annex VIII Capped (Counter) Guarantee indicative Termsheet and Annex IX Uncapped (Counter) Guarantee indicative Termsheet</p>	<p>Section "Inclusion Period" shall be amended to clarify the following:</p> <p>The Inclusion Period shall <del>typically last between 24 and 36 months</del> <u>until 31/12/2022</u> (unless terminated earlier because of a Trigger Event or a (Counter-)Guarantee Termination Event), <del>subject to the de minimis Framework being applicable.</del> The Inclusion Period may be extended in justified circumstances <u>subject to approval by the EGF governing bodies.</u></p> <p>Section "Financial intermediary" shall be amended as follows:</p> <p>a. With regards to the Guarantee Instrument:</p> <p>Any entity (including financial or credit institutions) duly authorised to carry out financing to Final Recipients according to the applicable legislation, <del>established</del> and operating in one or more Participating Member States.</p> <p>b. With regards to the Counter-Guarantee Instrument:</p> <p>Any entity (including guarantee schemes, guarantee institutions) or other financial or credit institutions) duly authorised to issue (counter-)guarantees according to the applicable legislation, <del>established</del> and operating in one or more Participating Countries.</p> <p>Section "Financial Sub-Intermediary" shall be amended as follows:</p> <p>Definition applicable only if the EGF guarantee instrument is a Counter-Guarantee. Any entity (including financial, guarantee or credit institutions) duly authorized to carry out financing and/or to issue guarantees to the benefit of Final Recipients according to the applicable legislation, <del>established</del> and operating in one or several of the Participating Member States. The Sub-Intermediaries shall meet mutatis mutandis the requirements for the Financial Intermediaries referred to above.</p>

	<p>The definition of eligible Final Beneficiaries is amended to remove reference to large companies.</p> <p>Section "State Aid" shall be amended to clarify the following:</p> <p><del>To be noted that the applicability of the De Minimis Regulation to the Instrument is still to be confirmed, therefore as of the date of publication of this Call and until further notice the inclusion period must end by 31/12/2021.</del></p> <p><b><u>Currently the inclusion period shall be limited to 31.12.2022.</u></b></p> <p>The excluded / restricted sectors have been clarified by adding the applicable EIB excluded activities in Appendix III.</p>
Annex X List of participating Member States	<p>Annex X shall be amended to reflect:</p> <ul style="list-style-type: none"> <li>- Slovenia to be added to the list of participating MS</li> <li>- Hungary to be added to the List of non-participating Member States</li> </ul>
Terms of Confidentiality	<p>Letter (f) of Section 2. Permitted disclosure is amended as follows:</p> <p>(f) within the framework of the EIF's Transparency Policy<sup>3</sup> pursuant to which EIF may publish <del>on its website the minutes of its Board of Directors</del> <b><u>information relating to the approval of the relevant operation by the EIF (including as a general rule</u></b> a summary indicating the project name, the nature of the operation, the geographical focus and the relevant EIF-managed resources of the Proposed Transaction), unless the Financial Intermediary has specifically objected to such disclosure as set out in the Call</p>

<sup>3</sup> [http://www.eif.org/news\\_centre/publications/EIF\\_Transparency\\_policy.htm?lang=-en](http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en)