

Fact sheet: The Pan-European Guarantee Fund in response to COVID-19

An overview of the guarantee fund to be managed by the EIB Group in response to the outbreak of the COVID-19 pandemic in the European Union.

Fund size	Up to €25 billion
Impact target	Up to €200 billion mobilized. The actual figure will depend on the demand for products available under the guarantee, and other factors.
Beneficiaries	<p>At least 65% of the financing will go for small and medium sized businesses.</p> <p>Up to 23% to companies with 250 or more employees, with restrictions applying to companies with more than 3,000 staff.</p> <p>Up to 5% to public sector companies and entities active in the area of health or health-research or providing essential services related to the health crisis.</p> <p>Up to 7% to venture and growth capital and venture debt.</p>
Contributors	<p>Each EU Member State is invited to commit a proportion of the total guarantee fund equal to its share in the EIB.</p> <p>Through the fund, they will provide irrevocable, unconditional and first demand guarantees to the EIB Group in relation to operations satisfying the eligibility criteria of the fund.</p>
Governance and decision-making	<ul style="list-style-type: none"> • Contributing Member States will agree on the eligibility criteria, choice of products, pricing and risk levels in the initial contribution agreement. • The Contributors Committee will conduct its work through meetings and tacit procedures and can decide on global authorizations for operations meeting certain parameters. • The Contributors Committee will receive regular reporting on the operations and risk related matters.
Implementation	The fund will provide guarantees to operations by the EIB and the EIF.
Indicative product split	<p>Risk sharing, funded and unfunded, including counter-guarantees for national promotional institutions: 75%</p> <p>Equity and equity-type (including venture debt) maximum 25%</p>
Geographic coverage	Counterparts, operations, and/or beneficiaries based in Member States that are contributors to the fund shall be eligible. There will be no country quotas, and every contributing member will proportionally guarantee all of the included operations. Concentration ceilings for three largest and 15 least benefitting countries will apply.
Fees and expenses	The EIB Group shall apply fees for administering the guarantee fund and implementing operations under the fund, to ensure cost coverage, in line with its statutory requirements.
Accounting and reporting	The set-up of the fund shall avoid triggering consolidation into the EIB accounts. The fund will not be a separate legal entity, but will be established under the EIB's Partnership Platform for Funds.
End of the fund	The initial investment period of the fund is until 31 December 2021. Any extension would need to be approved by the contributors.

