Funding opportunities

Alessandro Tappi
Chief Investment Officer EIF
Funding for Investments and interregional collaboration

EIF’s debt product:
- loan portfolio guarantees to Financial Institutions
- transfer of financial benefits to SME borrowers

EIF’s business model:
- Portfolio approach
- Alignment of interest (risk sharing)
- Delegation
- Portfolio eligibility criteria
- Monitoring
The EIB Group has been offering loan portfolio guarantees for SMEs in Ukraine since 2016.
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- **EUR 415m** of new SME lending supported by EU resources (DCFTA and InnovFin guarantee)
- **Four partner banks**: Raiffeisen Bank Aval, ProCredit, Oschadbank and Ukrgasbank
- Financial advantages for SMEs:
  - ✓ Reduction of collateral requirements
  - ✓ Interest rate: risk margin reduction
  - ✓ Access to finance for higher risk clients
- Advantages for Banks:
  - ✓ Credit risk transfer
  - ✓ Regulatory capital relief
  - ✓ Timely guarantee payment (within 90 days)
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January 2023: additional EUR 125m loans, out of the existing guarantee facility

➢ Too little! compared to the current financial needs of Ukraine’s SMEs
➢ New features: guarantee facility for trade finance products (payment guarantees) to cover the risk of SMEs paying to suppliers for goods and services

Mid 2023: expected successor guarantee facility (EU4Business)

➢ Budget: EUR 40m (~EUR 160m of SME loans)
➢ Geo focus: Ukraine, Moldova, Georgia, Armenia and Azerbaijan

Initial discussions with EC on how EIF could support Export Credit Agencies
The public resources available are not sufficient for the major challenges we will face in supporting the real economy and rebuilding Ukraine.