

Letter to the President of the House of Representatives from the Minister of Finance, Eelco Heinen, Minister of Economic Affairs and Climate, Heleen Herbert and the Minister of Foreign Trade and Development Cooperation, Sjoerd Sjoerdsma, concerning the state of affairs in relation to the Netherlands Investment Institution

Economic growth has delivered great prosperity for the Netherlands. However, that economic growth is under pressure. Demographic ageing, a tight labour market, geopolitical tensions and insufficient productivity growth are putting our earning capacity under strain. The Draghi, Letta and Wennink reports are clear: the Netherlands and Europe need greater economic strength and competitiveness. If we do not act, we will continue to lag behind the United States and China on a structural basis. The government does not regard this as an abstract conclusion but as a challenge: in order to safeguard our prosperity, we need to work towards an economy with faster growth, more resilience and higher labour productivity.

This will require targeted investments to boost growth and mobilise private capital. Innovation will be the engine for this. That engine is powered by our companies which work together with educational and research institutes to deliver growth and innovation. Large tech multinationals, as well as new scaleups, are the driving force for the growth of the Dutch economy. As explained in the letter to parliament from the Future Prosperity and Earning Capacity Task Force of 15 September 2026,¹ the Netherlands needs more of these champions. However, many young and innovative companies find themselves unable to scale up. And if they do scale up, too often this happens outside the Netherlands, partly because in other countries, particularly the United States, the financing is available. In order to improve the availability of financing for promising innovative companies and projects, the government is establishing the Netherlands Investment Institution (NII). The NII will provide financing, supplement the market, and serve as the Dutch partner of the European Investment Bank (EIB), other national investment institutions in Europe, and various other European and international institutions.

The success of the NII will be entirely dependent on effective cooperation with the private sector: the institution is being established precisely to mobilise and supplement financing from private sources, such as venture capital, banks, pension funds, insurers and other investors – not to replace it. Close cooperation with the market will not be a side issue. It will be central to how the NII operates. The private sector acknowledges the added value of an NII and has confirmed its support for the NII by signing a declaration of intent.

This letter fires the starting gun for the establishment of the NII. In it we inform the House about the recent decisions taken to shape the institution:

1. Objective
2. Private sector support
3. NII instruments
4. Financing and capital structure
5. Governance and supervision
6. Next steps

¹ Parliamentary Paper 2026, D43459.

1. Objective

The NII's objective is to strengthen the Dutch capital market and to foster our long-term earning capacity. There is already significant support for the supply of early-stage venture capital in the Netherlands, partly thanks to public instruments. In the current financing landscape, the availability of later-stage venture capital (> approx. €50 million) is more limited (see also the letter to parliament on the venture capital market).² As a result, the further growth of startups and scaleups in the Netherlands is stalling. One of the reasons for establishing the NII is to plug this financing gap. The NII will be supplementary to the market and will mobilise private capital.

In addition, the NII will bring together some of the existing instruments, including Invest-NL, Invest International and, in the future, a number of other financial schemes. This will establish a single partner for Dutch businesses and a fully fledged partner for the EIB. The NII will finance innovative tech companies and projects with growth potential, such as first-of-a-kind production facilities, and improve access to financing for entrepreneurs, including at international level. It will operate specifically in areas where private financiers are more reticent, for example on account of excessive risk profiles, long payback periods or international uncertainty. The NII will thus act as a catalyst, enabling private parties to invest in projects on commercial terms. Through such investment, the NII will mobilise private capital and more financing solutions will be made available to businesses and projects. This will strengthen the investment funnel for Dutch businesses. The NII will be acting in accordance with the recommendations of the IMF,³ which has noted that measures are needed to crowd in private investment in innovative sectors that drive further productivity growth.

Upon establishment, the NII will focus on four domains that, in line with the coalition agreement and existing industrial policy efforts, are essential to our future earning capacity: digitalisation & AI; security & resilience; energy & climate technology; and life sciences & biotechnology. This focus will not be a straitjacket: the NII will retain the flexibility to take action regarding other sectors that are important to the Netherlands. The NII will be able to invest in all four countries of the Kingdom, and the same conditions will apply to all four countries.

The NII will also have a specific international focus, with national economic interests and development interests going hand in hand. Therefore the NII will invest in businesses and projects that operate abroad and contribute to the Dutch economy, strategic partnerships and/or economic and strategic interests such as resilience and autonomy.

This government is making clear choices when it comes to the NII's focus: an institution tasked with solving all of the problems in the Netherlands ultimately would not provide an effective solution to any of them. National public tasks will remain the responsibility of the government. Investments of this kind flow primarily via the central government budget. Resources are already allocated through a number of funds set up for this purpose. The NII will not take over this funding role. Key funds (budget funds) include the Climate Fund, the Nitrogen/Transition Fund, the Mobility Fund, the Delta Fund, the Renewable

² Parliamentary Papers, House of Representatives, 2025/26, 32 637 no. 763

³ See also: IMF country report no. 26/197.

Energy and Climate Transition Grant Scheme (SDE++), the National Growth Fund and the Defence Materiel Budget Fund. Through these funds alone, central government is expected to invest some €360 billion in the Netherlands in the next 10 years. In addition, other state-owned enterprises will be tackling major challenges, for instance in the areas of energy and infrastructure. Subnational authorities also have a substantial role to play in funding societal investments. This approach aligns with the recently published report of the Netherlands Bureau for Economic Policy Analysis (CPB),⁴ which asserts that the added value of an NII lies more in easing bottlenecks in the market for finance caused by financing frictions than in realising broader societal objectives.

One example of a public task is the construction of energy infrastructure, financed from public funds and part of broader government policy. Investments in the regulated basic infrastructure of the electricity grid and gas network are primarily the responsibility of state-owned enterprises and distribution network operators like TenneT and Gasunie. Investments in innovative and tech companies related to energy infrastructure, for instance smart grids, are not ruled out, however. The approach in such cases is different: these are investments in innovative businesses made on commercial terms.

2. Private sector cooperation

Declaration of intent

If the NII is to succeed, it is essential for the sector itself to invest along with it. That is why a declaration of intent has been signed by private sector parties, indicating their support for the NII. They will make maximum efforts to mobilise private capital to leverage the efforts of the NII, through cofinancing, fund investments and possibly financing the NII through debt. The government greatly appreciates the willingness shown by the financial sector to work with the public authorities to make a success of the NII. The government is also pleased to take up the offer to make use of the financial sector's experience and expertise when establishing the NII.

As a result of the establishment of the NII, the investment capacity of the public and private sectors will therefore be closely linked. The additional capital contribution of €3.3 billion will give the NII a core capital of around €6.6 billion in order to mobilise private finance many times this amount in the years ahead, giving the NII the requisite financial muscle during this period. In their declaration of intent, the parties indicate that combining this capital with additional private and institutional co-investments and financing offers the prospect of a total investment volume of some €30 billion. The government's ambitions are even greater, in line with the objectives set in the Wennink report. If the quantity of promising investment propositions arising in the market outstrips the NII's current capacity, the joint ambition is to build on this success. That means that additional core capital would be needed for the NII. This core capital could be obtained in two ways: through additional capital contributions by the state or by raising suitable forms of debt (possibly guaranteed by the state). The government will weigh these options as and when extra capital is needed.

One of the factors it will take into account is how the NII, upon its establishment, is classified by CBS, with Eurostat having the final say. If the NII is classified as

⁴ 'De Nationale Investeringsinstelling: doelen en keuzes' (The National Investment Institution: objectives and choices), published on 18 September 2026.

being within the government sector, a direct capital contribution would be a logical choice, as the NII's debt would be included in the national debt. If the NII were to be classified as being outside the government sector, the advantages of raising debt (including the mobilisation of private capital and avoiding increasing the EMU debt) must be weighed against the disadvantages (which include additional costs in respect of loan issuance).

Discussions with the private sector

The government has recently been engaged in discussions about the NII with several private sector parties. The main insights that have arisen from the dialogue sessions held so far are as follows:

- The Netherlands is an academic powerhouse and has no shortage of ideas. However, when it comes to scaling up ideas, it is becoming increasingly difficult to obtain sufficient financing – and when financing can be arranged, it primarily comes from the United States. The NII should ensure that there is national financing, so that top-class Dutch ideas can be developed into drivers of growth. It will not perform this task alone. The NII should build an ecosystem in which national, European and international co-investors participate in investments, for example so that major investment rounds take place in the Netherlands.⁵
- The size of the Netherlands' domestic market is small. For many companies it is difficult or impossible to generate sufficient turnover here to fund further growth and development. That is why they immediately look beyond our borders and think at European and international level. This means that the NII will also require knowledge and skills in the field of international financing.
- For SMEs and large established companies, the problems in the Netherlands relate mainly to constraints such as permitting and nitrogen issues.
- Parts of the Dutch public sector financing landscape are fragmented, complex and insufficiently integrated. Greater coherence is needed, as well as a better combination of instruments.
- It is essential that there is a single clear and joined-up financing funnel for companies. Without a supply of new and innovative startups, there will be no scaleups. In order for these startups to emerge, the NII will need a wide range of instruments and a broad mandate, so that parties can be brought together in different ways and at different stages. It is important for existing instruments to be integrated into the NII.

We are taking account of these insights as much as possible in elaborating the detailed plans for the NII.

3. NNI instruments

The government envisages a range of instruments for the NII based on three main pillars:

1. Financing role
2. Scheme implementation role
3. Development role

The NII will be the central point of contact for the Dutch financing landscape and the partner for European international financial institutions (IFIs), such as the EIB, the European Investment Fund (EIF) and European financing programmes such as InvestEU. Using these partnerships, the NII will mobilise European and international funds, thereby giving an additional boost to Dutch businesses and

⁵ See also: IMF country report no. 26/197.

projects. As a fully fledged point of contact, the NII will be able to ensure that international and European funding, for example from the EIB, makes a more effective contribution to resolving financing problems experienced by Dutch businesses. Its partnership with the EIB could take several forms. Previously the EIB President has said in the Dutch media⁶ that the NII could join the '5+1' group, a regular strategic consultation meeting of representatives of the five largest national investment institutions (of Germany, France, Italy, Spain and Poland) with the EIB. After the Dutch NII joins, it would then become the '6+1' group.

Financing role

The NII will invest in businesses and projects in various ways: through equity, loans, guarantees and fund investments. Its establishment will involve integrating Invest-NL and Invest International. The core capital, existing financing instruments and funds of both organisations will be brought within the NII.⁷

For each investment of core capital, the NII will adhere to a clear assessment framework and investment policy.⁸ This will give the market clarity about when the NII will become involved and when it will not.

- **The investment is consistent with the NII's objective.**
- **The investment is complementary to the market:** Specific refusals or reticence on the part of private parties as a consequence of market failure are essential before the NII will become involved.
- **The investment mobilises private capital:** The NII will not invest where there is no credible business case to do so, but will invest when there is too little capital available at the time of investment. Such a lack of availability could stem from an excessive risk profile or lengthy payback period. In the international domain, this could arise for example due to high country-related risks and transaction and financing costs. To the maximum extent possible, the NII will also mobilise international and European funding through the EIB and other parties.
- **The investment aims to achieve a positive financial return:** The investments and financing will be subject to a market assessment to ensure that the return on the investment is in proportion to the risk. This will enable the NII to keep reinvesting capital and ensure that no capital stock is lost.

Scheme implementation role

In addition, it will be possible for the NII to implement ministerial schemes of a national and international nature on behalf of the state, aimed at supporting businesses and projects or contributing to solving international issues by, for example, strengthening ecosystems in partner countries. Not all of these schemes operate on commercial terms. They entail concessional financing, consisting partly of grants, and are mainly intended to tackle market failure, thereby mobilising more private capital for certain target groups or sectors. In such cases, the state in effect takes a portion of the financing gap for its own account. Where possible, alignment will be sought with transactions from the core capital. The

⁶ See: 'De EU is de kraamkamer van de wereld: als bedrijven groeien, gaan ze weg', zegt EIB-baas Nadia Calviño' ('The EU is the world's nursery: once companies grow up, they leave' says EIB President Nadia Calviño), NRC, 22 March 2026.

⁷ For some specific funds that fall under the NII (including funds currently being implemented by Invest-NL and Invest International), an independent framework will apply to supervision of specific objectives, target groups and conditions. This will be decided on in consultation between the NII and the relevant ministries.

⁸ The 'do no significant harm' will be observed.

costs and policy management of these schemes are a matter for the ministries that bear policy responsibility.

In relation to the national domain, a decision will be taken at a later stage on whether there is added value in having the NII implement the ministerial financing schemes currently implemented by the Netherlands Enterprise Agency (RVO). The annexe contains a more detailed assessment.

In relation to the international domain, the NII will take over the implementation of schemes currently implemented by Invest International, making the NII the partner of Dutch and international enterprises and projects.

The NII may be given responsibility for implementing any future schemes if they are in line with its objectives.

Development role

The NII's development role is aimed at: (1) carrying out market research and analysis to identify financing problems and market opportunities, (2) developing new financial products, (3) establishing and maintaining strategic relationships with public and private financiers, and (4) assisting in the evolution of development-related infrastructure and other development projects and ensuring that they can be financed. In this connection the NII will work closely with for instance European financial institutions and other national and international partners (including private partners), with the aim of mobilising additional financing, bundling expertise and improving access to finance. The NII's development role will therefore contribute to the further development and enhancement of the (international) financing ecosystem.

Unlike its financing role, its development role will be enabled primarily by the possibility of receiving an operating contribution from the government. This operating contribution is intended to enable it to implement (or arrange for the implementation of) projects that help to strengthen financing propositions, service provision and the creation of partnerships and projects. The Ministers of Economic Affairs and Climate and of Foreign Trade and Development Cooperation will act as commissioning lead and financier and will decide on the substantive parameters.

4. Financing and capital structure

State contribution

The government will make a contribution of €3.3 billion as startup capital, from the proceeds of the sale of TenneT Germany. Combined with the existing capital of Invest-NL and Invest International previously contributed by the state, the total initial core capital will be around €6.6 billion.

The NII will have safeguards to ensure that the core capital is put to optimal use in both the national and international domain. Within the parameters of effective self-management by the investment institution, a balanced and sustainable allocation of resources between these two domains will be sought. Both domains can expect to receive the boost they need.

Mobilising private capital

The core capital will serve as a catalyst such that significantly more private capital will be mobilised for investments. First, each investment will in principle involve co-financing: the NII will invest jointly with private parties or ensure that investments include private parties' participation. Second, the NII will set up funds from which investments can be made. The purpose of these funds will be to enable other parties to participate, making it possible for more capital to become available. Third, the structure of the institution will leave open the possibility of raising debt. If market demand exceeds the available core capital, the state will determine whether future financing will be provided in the form of a capital contribution or in the form of debt. Fourth, the NII will have to raise international and European funds in order to create additional investment capacity. Through this further mobilisation, the initial core capital of €6.6 billion could generate further investments in the Netherlands and the wider European economy far exceeding that amount.

Market alignment and return

The terms under which the NII's core capital will be invested will be economically rational to a private investor/financier. However such investments do not always come into being in the market, for instance because of uncertainty, long lead times, limited risk appetite, financing capacity or other forms of market failure. An investment by the NII may be both made on commercial terms (and hence aligned with the market) and at the same time supplementary to the market. When investments are made under the same conditions as by private investors (*pari passu*), they do not crowd out other financiers and therefore do not distort the market.⁹ If the NII makes a riskier or longer term investment (so not *pari passu*), the required return must reflect the market price mechanism for that additional risk. The NII will focus on investments that do not arise independently in the market, and thus will be supplementary to the market. This is a fundamental aspect of the institution: no risk, no (societal) return.

The NII's objective is to invest in the Netherlands' future earning capacity and to mobilise private capital for this purpose. As part of that objective, the NII will have to achieve a sufficient positive return at institution level without being hindered by the institution's risk appetite. In this respect the return target to be achieved by the institution as a whole differs from that which a private institution would have to achieve. In the long term, a positive return is necessary so that the institution can continue to use to the capital contributed to it for the benefit of the Netherlands (evergreen funding). The institution's precise return target will be determined at a later stage. In this connection, account will have to be taken of the type of financing, the risks, and the results of similar investment institutions at home and abroad.

5. Governance and supervision

Governance

The NII will be established as a state-owned enterprise and will take its own investment decisions independently. This degree of removal is essential to enable commercial, non-political decision-making; only in this way will the NII gain the credibility and decisiveness that the market expects from a serious investment partner. This will contribute to the commercial freedom, continuity and

⁹ However, *pari passu* does not automatically mean that the investment is additional or that there will be no crowding out. To this end, it must be likely, in the specific case, that the necessary financing would not have been secured without the NII, or would not have been secured completely, on time or under a financing structure that is appropriate to the business case.

predictability of investment policy, thereby enhancing the appeal of the NII to investors/co-investors and other partners and parties, as well as their confidence in it.

The shareholding will, in accordance with the Policy Document on State-Controlled Companies 2022, be entrusted to the Minister of Finance. Policy responsibility for the NII will be entrusted to the Minister of Economic Affairs and Climate, with the Minister of Foreign Trade and Development Cooperation having primary responsibility for the international domain. The policy ministries will be responsible for defining the public interest and (primarily) for ensuring that it is served.

As is customary for state-owned enterprises of this size, the NII will have a two-tier governance structure: the Management Board will be responsible for strategy and day-to-day management and the Supervisory Board will oversee the Management Board. The General Meeting of Shareholders will have the key powers of shareholders, such as adopting the remuneration package and approving the annual financial statements. This separation of roles – management, supervision and shareholding – is a key principle of good governance. The institution as a whole will be organised in accordance with business and commercial principles as appropriate for an institution that enters into transactions with market parties.

Remuneration policy

The remuneration policy for the Management Board will comply with the methodology set out in the Policy Document on State-Controlled Companies 2022: a moderate remuneration package, with the Top Incomes (Standardisation) Act serving as the public reference point, and a private benchmark with comparable businesses in the sector serving as the market reference point. This will enable the NII to attract executives of the desired calibre, while maintaining the restraint appropriate to a public institution.

Statutory framework

The NII's role will be regulated in a statutory framework. This framework will make provision for the mandate of the institution under which it fulfils its role and will be specifically designed to enable the NII to respond flexibly to the challenges of the future. The distribution of roles and responsibilities among the relevant ministers, including their formal powers, will also be laid down in the legislation governing the NII.

Supervision

Given the scale of the NII and the associated risks to the state as shareholder, a form of financial supervision is desirable. Financial supervision will be conducive to the professionalism of the organisation and to good risk management, as well as building confidence among providers of debt capital. It is also customary for state-owned enterprises that raise debt or provide financing of their own to be under financial supervision.

The supervisory regime applicable to the NII will depend on the form the organisation ultimately takes and the nature of its activities. Depending on these factors, the appropriate regime may be one aligned with that for investment funds, or a regime that incorporates features of the banking supervision model.

The NII is expected to have significant activities in higher risk segments in which investment funds play an important role.

State aid

In view of the rules on state aid, the European Commission will be asked to approve the state's financial contribution to the NII. The European Commission will make an integrated assessment of the state's contribution and the NII's instruments (including the existing funds and instruments).

6. Next steps

The NII is to be formally established by means of an Act of Parliament, which will have to go through the legislative process. The government has decided to go ahead now and take action where possible, including by making use of the statutory mandates of the existing institutions Invest-NL and Invest International. The aim is to recruit a prospective CEO for the NII in 2027. This process will follow established policy on state-owned enterprises and entail the involvement of the responsible ministries (Economic Affairs & Climate and Foreign Trade & Development Cooperation) in line with standard practice. In the transition phase this CEO will shape the new organisation and initiate the integration of the institutions in line with the underlying principles and vision for the NII.

Annexe – motions and pledges

1. Motion submitted by MPs Tom van der Lee and Laurens Dassen (Parliamentary Paper 36 800-XIII-27)

Motion: When establishing a national investment bank, give consideration to reducing fragmentation in the investment landscape and tackling coordination failures.

Response to the motion submitted by MPs Van der Lee and Dassen:

A Netherlands investment institution that makes investments that are additional and mobilises private investments will by definition address a form of coordination failure and mitigate fragmentation in the investment landscape. After all, if private parties were to make these investments of their own accord, additionality would be lacking. The fact that private investments do take place after public participation indicates that the obstacle is not primarily the lack of economic potential, but the absence of coordinated market action. The NII will therefore fulfil the role of the catalyst that facilitates collective investments, within the framework of its statutory mandate and focus on the basis of its strategy and investment policy, for instance in the Wennink domains referred to earlier.

Coordination failures can also arise in the absence of networks to bring together parties in a sector or value chain, for instance if the necessary platform or infrastructure is lacking. Supply and demand are not matched to a sufficient extent, as a result of which the necessary partnerships are not formed. Projects which deal with this mainly concern public tasks, such as infrastructure. Investments of this kind are generally addressed through the regular budget or specific state-owned enterprises and budget funds. It would not be logical for the NII to address these projects in its investment role, but where possible it could act as a coordinator.

2. Pledge: reallocating Invest-NL capital to Invest International

In the 2025 Budget Memorandum, additional core capital of €900 million was made available for the financing requirements of Invest-NL. In line with the letter to parliament of 4 July 2025 (Parliamentary Papers, House of Representatives, 2024/25, 35 123 no. 44) and the 2026 Budget Memorandum, in view of the integration, the allocation of €250 million (€150 million in 2026 and €100 million in 2027) of the resources of Invest-NL will be made to Invest International.

3. Assessment of KPMG report (Parliamentary Paper 2026D, no. 13616)

As regards the national domain, responsibility for a number of ministerial financing schemes of the Ministry of Economic Affairs and Climate is currently entrusted to the Netherlands Enterprise Agency (RVO). KPMG examined whether it would be desirable to integrate these schemes – Thematic Technology Transfer, SEED Capital, Early-Stage Financing and the Innovation Credit – with the NII (Parliamentary Paper 2026D, no. 13616). These are ministerial grant schemes that involve revolving funds but do not operate on commercial terms.

The KPMG report outlines various advantages and disadvantages of integration and three options in the light of the possible key objective of the NII: (1) continued implementation by the RVO, (2) transfer of the schemes in their current form, (3) transfer of the schemes with changes to their objectives. The RVO also implements two guarantee schemes that do operate on commercial terms: the SME Loan Guarantee Scheme (BMKB) and the Business Finance Guarantee Scheme (GO); these two schemes were not considered in the KPMG report.

The government currently envisages starting with statutory provisions that enable the NII in future to implement, under mandate, schemes that do not operate on commercial terms. This is relevant because the Act authorising the establishment of Invest-NL provides, further to a parliamentary amendment (Parliamentary Paper 35 123, no. 19), that Invest-NL is not permitted to implement schemes that do not operate on commercial terms.

In addition, the most important thing is that a possible integration of schemes has a positive impact on the beneficiaries, the entrepreneurs and financiers. The current set-up of the schemes was given a positive evaluation but there could be potential added value in integrating them into the NII. Further analysis will be needed to determine the extent to which there is any such added value. For this purpose it will be important, working together with the parties involved and the parties implementing the schemes, particularly the RVO and the future NII, to examine a possible integration plan for each scheme if there is added value to be gained from it. This will produce a clearer picture of the legal, governance and operational parameters and contribute to better decision-making. As an underlying principle, the continuity of the schemes must be safeguarded.