

The InvestEU Programme: an instrument to support investment in the next MFF

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Why an Investment Plan for Europe in 2015?

Investment & competitiveness gap

Public budget constraints

Financial and non-financial barriers to investment

High liquidity in the market



European

EIB Group figures As of 14/03/2019

EFSI investment by sector*

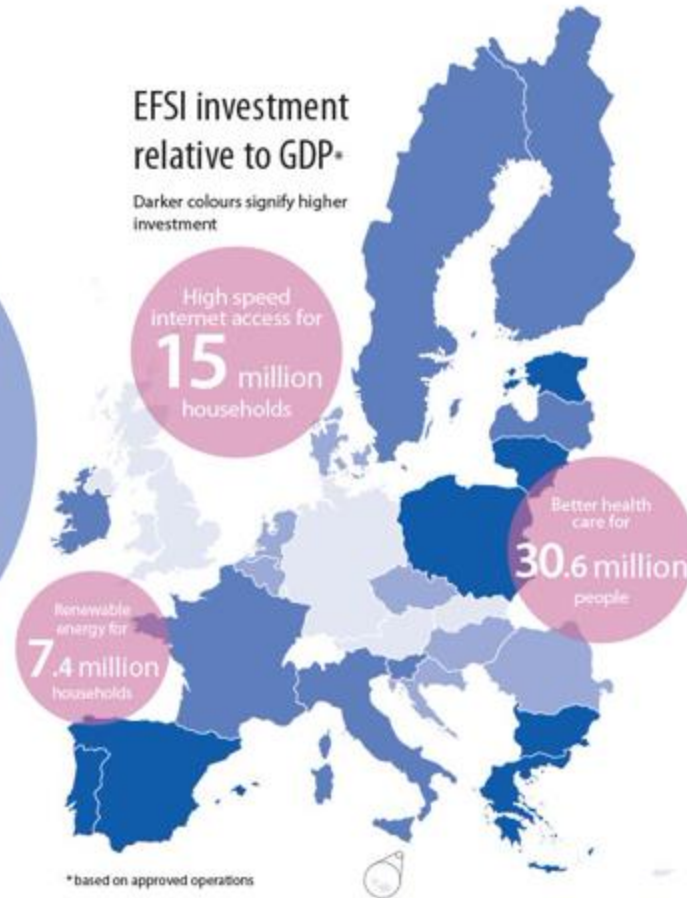
- Smaller companies 33%
- RDI 23%
- Energy 18%
- Digital 11%
- Transport 7%
- Social infrastructure 4%
- Environment and resource efficiency 4%



Target by 2020 **EUR 500bn**

EFSI investment relative to GDP*

Darker colours signify higher investment



The Juncker Plan has...

- exceeded its initial target and has now mobilised close to **EUR 380 bn.** Two thirds of these came from private resources. The target for 2020 is EUR 500 bn.
- contributed to increase **EU GDP by 0.6%** and it is set to increase EU GDP by 1.3% by 2020.
- already supported more than 750,000 jobs (1.4 million jobs to be supported by 2020).
- helped 856 000 SMEs by improving their access to money.



Lessons learned:

- Fragmentation
- Policy/financial overlaps
- Multiplication of agreements
- Multiplication of different fees

InvestEU Fund key principles

- Single fund: a single Regulation and single agreement with implementing partners
- Access to the EU guarantee open to multiple implementing partners
- Policy driven approach implemented through thematic policy windows
- Budgetary guarantee (no funding)
- Member State compartment
- Blending: harmonised combination rules

The programmes replaced by the InvestEU

Equity Instruments

Guarantee Instruments

Risk Sharing Instruments

CEF
Equity

EaSI
Guarantee

COSME
Loan
Guarantee
Facility

Natural
Capital
Fin. Fac.

COSME
EFG

EFSI

Private
Finance
for Energy
Efficiency

Innovfin
Risk
Sharing

EaSI
Capacity
Building IW

Innovfin
Debt

CEF
Debt
Instrument

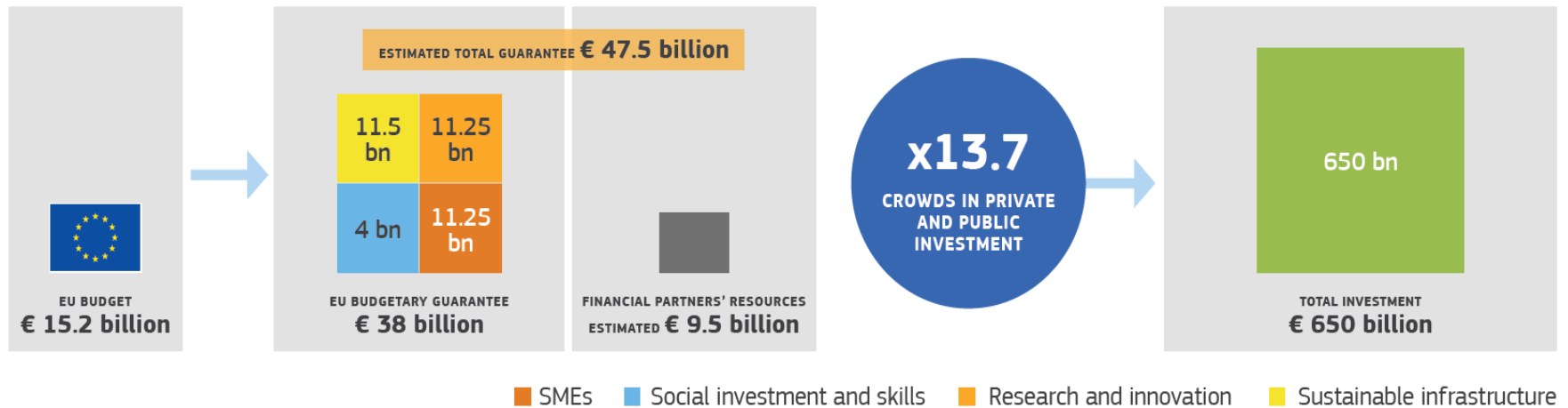
Innovfin
Equity

Student Loans
GF

Cultural
and
Creative
Sector GF

InvestEU

Doing more with less



- The InvestEU Fund multiplier is 13.7x compared to 15x for EFSI to focus on quality and additionality rather than volumes
- This compares favourably to the current financial period, where all centrally managed financing instruments (including EFSI 2.0) have a budget of EUR 15.57bn and are expected to mobilise EUR 600bn
- So we are able to deliver more with less in the next MFF

Implementing Partners

- EIB Group
- Other IFIs (EBRD, COE Bank..)
- National Promotional Banks and Institutions
- Other entities fulfilling the criteria laid down in the FR in Art. 62.1

Policy objectives

- The specific **objectives** of InvestEU Fund are organised according to four windows:
 - to support financing and investment operations in **sustainable infrastructure**;
 - to support financing and investment operations in **research, innovation and digitisation**;
 - to increase the access to and the availability of finance for and, and to enhance the global competitiveness of, **SMEs** and for small mid-cap companies;
 - to increase the access to and the availability of microfinance and finance to **social enterprises**, support financing and investment operations related to **social investment competences and skills** and develop and consolidate social investment markets

InvestEU indicative proposed budget allocation

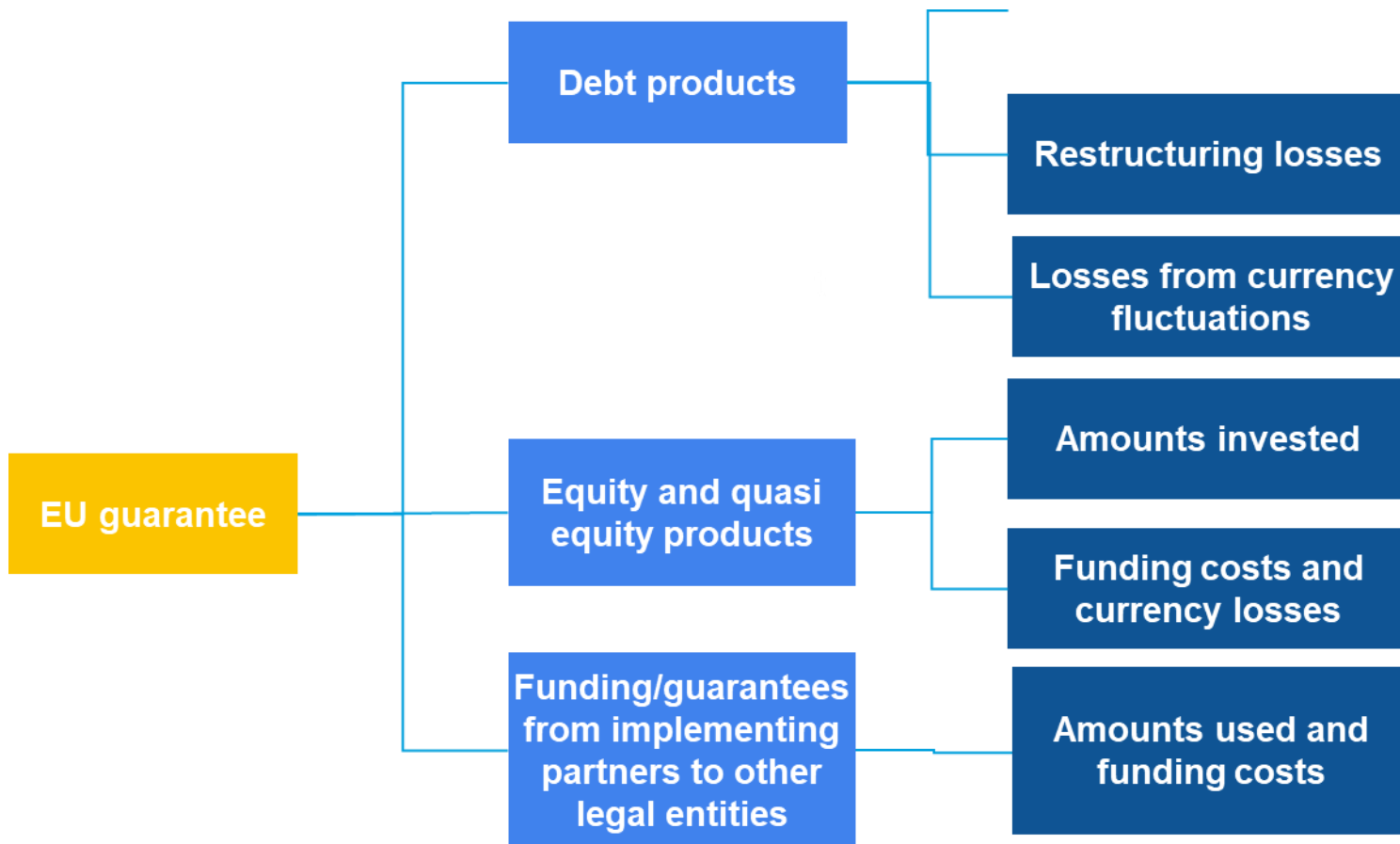
Window	Budgetary guarantee	Mobilised investment (estimate)
Sustainable infrastructure	11 500	185 000
Research, Innovation and Digitisation	11 250	200 000
SMEs	11 250	215 000
Social investment and skills	4 000	50 000
TOTAL (<i>EUR Million, in current prices</i>)	38 000	650 000

- Budget for InvestEU Advisory Hub, InvestEU Portal and accompanying measures is proposed to be EUR 525m
- InvestEU is expected to mobilise more than EUR 650bn of additional investment across Europe

SME Window

- Increase **access to and availability of finance** for European SMEs, in support of employment creation and economic growth
- Providing **support for SMEs** for which the access to finance problem is the most pronounced:
 - start-ups, younger and smaller companies,
 - Scale-ups
 - SMEs lacking sufficient collateral and,
 - innovative SMEs
- Promoting the **implementation of specific Union's policy priorities**, e.g. in the areas of:
 - internationalisation,
 - innovation,
 - cultural and creative industries, AI, digitisation, etc.

EU guarantee coverage (direct and intermediated financing)



EU guarantee: conditions

According to Art. 209 of FR, the EU guarantee has to:

- Address **market failures or sub-optimal investment** situations
- Provide support only to **final recipients that are deemed economically viable** according to internationally accepted standards
- Achieve **additionality** by preventing the replacement of potential support and investment from other sources
- **Not distort competition** in the internal market and be consistent with State aid rules
- Achieve a **leverage and a multiplier effect**, by mobilising a global investment exceeding the size of the guarantee including **the maximisation of private investment**

EU compartment

- Fosters EU level action and tackles EU level market gaps
- Consists of four policy windows
- Budgetary guarantee size of EUR 38bn, provisioned at 40%
- Guarantee is not geographically ring-fenced

InvestEU Fund

MS compartment

- Fosters MS level action and tackles local level market gaps
- On a voluntary basis by MS can allocate amounts to provision the MS compartment from ERDF, ESF+, EMFF, EAFRD or cohesion fund
- Established at the level of each policy window; 1 Member State = 1 sub-compartment
- Based on a specific contribution agreement defining size, provisioning, contingent liability...
- Contributions are geographically ring-fenced
- InvestEU rules apply

Invest EU Advisory Hub

Provides advisory support for the identification, preparation, development, structuring, procuring and implementation of **investment projects**, or **enhance the capacity of promoters and financial intermediaries** to implement financing and investment operations, also by developing a **local presence**.

- Single point of entry
- Assistance during the entire project life-cycle
- Supporting capacity building for promoters and authorities
- Facilitate project development
- Facilitate aggregation of small projects

**InvestEU
Advisory Hub
services:
Available under each
policy window
+
Cross sectoral
component**

- Support to establish investment platforms
- Leveraging local knowledge
- Promote sectorial and geographical diversification
- Support to project origination
- Market making activities

InvestEU Advisory Hub



InvestEU Portal

EIPP



InvestEU Portal

- Continues the current investment portal under InvestEU

- Consistency check with EU laws and policies

- Not a pre-condition nor a guarantee for financing

InvestEU
Portal

- Provides project promoters visibility to potential investors

- Better link to the InvestEU pipeline (Implementing partners to examine projects falling within their geographic and activity scope)

- Database will continue to be online and publicly available

Thank you!



Questions?