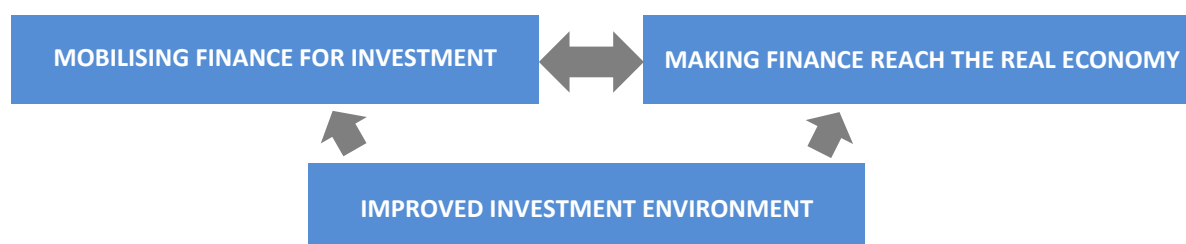


Factsheet 3

WHERE WILL THE MONEY GO TO?

The Investment Plan for Europe will be a package of measures to unlock public and private investments in the real economy of at least € 315 billion over the next three years (2015-2017). The Investment Plan consists of three strands: (1) mobilising investment finance without creating public debt; (2) supporting projects and investments in key areas such as infrastructure, education, research and innovation and (3) removing sector-specific and other financial and non-financial barriers to investment.

The European Commission and the European Investment Bank will launch a **partnership** with the objective of **mobilising investment** primarily in strategic infrastructure, SMEs and middle capitalisation companies, fostering EU competitiveness. The Partnership will achieve this objective by catalysing private sector investment. The Partnership will have a **strong profile** and provide a **higher level of transparency** towards EU citizens, institutions and civil society with monitoring and reporting to satisfy highest level of **accountability**.



Channelling the money where it matters

Generating additional investment finance is not enough. The funding must reach viable projects, with a real added value for the European economy. Investors need the certainty of a continuous pipeline of sound projects, in particular for large infrastructure projects. Increased transparency and understanding of risks are needed to trigger additional investments. Taking advantage of the EIB's knowledge, in both experienced staff and sector expertise, the Partnership will be well placed to rapidly focus on:

- **Responding to market gaps** requiring higher risk bearing capacity;
- **Work with new clients**, and ensure a larger sector coverage;
- **Offering new products**;
- **Providing new delivery modes** in cooperation with National Promotional Banks and private sector financial institutions.

Finding the right projects

A **Task Force** has been set up by the Commission and the European Investment Bank (EIB), together with the Member States, to look into potential barriers to investments and screen

potential projects. Based on the first report of the Task Force, which will be published shortly, the work should be stepped up at EU level to identify and activate key investment projects, as well as inform investors of projects' progress on a regular basis.

The EIB-Group will ensure that the EFSI's **pipeline is transparent and regularly updated**. Member States, including regional authorities and National Promotional Banks, European institutions and private investors will be able to contribute to the pipeline by presenting or sponsoring projects. This does not mean that every project in the European pipeline should - or will - be financed in the context of the Plan, but the pipeline will offer visibility about investment potential and transparency about the selection criteria.

Boosting Investment through risk-bearing, speed and adaptation to different markets and sectors

The Plan will assume **substantial risk support** to encourage promoters to initiate investments and private financiers to join. The Partnership between the Commission and the EIB will **unlock at least € 315 billion of additional investments throughout EU**. This will generate a stimulus to support growth and job creation through products adjusted to regional needs. Building on the Partnership, the private sector will receive risk absorbing financial products to help deliver new projects. Member States, National Promotional Banks and/or private sector investors will have the opportunity to both participate in the individual projects and also benefit from Partnership credit enhancing guarantees.

Thanks to its establishment within EIB-Group, the Partnership will be set up swiftly and become operational as of 2015.

Getting the projects ready

Providing support to develop and carry out projects is an important part of the Plan. As part of the new approach, expertise from the Commission, the European Investment Bank, National Promotional Banks and the managing authorities of the European Structural and Investment Funds will be made available in an integrated way.

Support includes, notably:

- technical assistance for project structuring
- the use of innovative financial instruments
- the use of public-private partnership solutions

An **investment advisory 'Hub'** will integrate all **investment advisory services** and direct all questions regarding technical assistance to a single, user-friendly portal, with three audiences in mind: project promoters, investors and public managing authorities. The

objective is to strengthen and accelerate investment by providing comprehensive and swift advice:

- to prepare and develop quality projects and investments,
- to enhance the effective use and potential leverage of European Structural and Investment Funds (ESIF), the Connecting Europe Facility (CEF), Horizon 2020 and other EU funds, in particular through reinforced and flexible use of financial instruments in response to market needs,
- to improve access to other sources of public and private finance.

The investment advisory 'Hub' will help public authorities and project promoters in Member States to identify, prioritise, prepare, structure and implement strategic projects with a European added value and to make more efficient use of EU funds. Bringing together all advisory services in a common structure, form, it will constitute a single source of expertise and be a key entry point for public authorities and project promoters in the EU.

The Hub will build on successful, already available instruments such as the JASPERS¹ programme, which will be upgraded and expanded, and the new advisory platform for the use of innovative financial instruments (Fi-Compass). The new Hub should contribute to strengthening the network of National Promotional Banks and similar entities across Europe.

Follow-Up Activities at National Level

Workshops and other out-reach activities will be organised at national, transnational and regional level to address specific challenges. The focus will be put on attracting private investors and on maximising synergies between national and EU schemes.

Types of projects

According to the Political Guidelines of President Juncker, additional investment will target infrastructure, notably broadband and energy networks, as well as transport infrastructure in industrial centres; education, research and innovation; and renewable energy and energy efficiency. **Funding will be channelled to viable projects**, with a real added value for the European social market economy. This includes in particular but not only:

- Strategic infrastructure (digital and energy investments in line with EU policies)
- Transport infrastructure in industrial centres, education, research and innovation

¹ JASPERS (Joint Assistance to Support Projects in European Regions) provides advice to the 13 countries that joined the European Union in 2004, 2007 and 2013 (Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovak and Slovenia) as well as to Greece, the former Yugoslav Republic of Macedonia, Montenegro and Serbia during project preparation, to help improve the quality of the major projects to be submitted for grant financing under the Structural and Cohesion Funds.

- Investments boosting employment, in particular through SME funding and measures for youth employment
- Environmentally sustainable projects
- Innovation and Research & Development

The Member States are providing to the Commission-EIB Task Force lists of projects selected according to **three key criteria**:

- EU value added (projects in support of EU objectives)
- Economic viability and value – prioritising projects with high socio-economic returns
- Projects that can start at latest within the next three years, i.e. a reasonable expectation for capital expenditure in the 2015-17 period.

In addition, listed projects should have the potential for leveraging other sources of funding. They should also be of reasonable size and scalability (differentiating by sector/sub-sector), even if this can take account of the bundling of smaller investments.

Typical projects² that, depending on the project features in each individual case, **could potentially benefit** from financing could include projects identified by the joint Commission-EIB Task Force such as for example:

- A programme for the construction and rehabilitation of public buildings aimed at improving their energy efficiency, currently held up by lack of funding.
- Transport links between EU countries facing delays due to high upfront project costs.
- Open-access, laser-based research infrastructure in countries currently in need of financing to avoid delays in implementation.
- A programme to upgrade school facilities in countries facing implementation challenges and lack of funding.
- Investment in water infrastructure, including wastewater treatment plants and water supply facilities, hampered by a lack of financing.
- Other projects supporting, for example, the expansion and upgrading of freight and passenger capacities in ports and airports; dedicated rail-connections between important airports and urban centres; greening projects in the area of maritime transport; alternative fuel-infrastructure along major roads; 3rd generation bio refineries; etc.

² *Disclaimer:* There are no financing commitments by the European Commission or the EIB for any of these projects and these are not entitled to preferred access to national or European resources. They have not been subject to any specific assessment by the Commission, EIB or the Task Force Members and hence do not imply the support of the particular investment proposal by these organisations.