



EU Budget: InvestEU Programme to support jobs, growth and innovation in Europe

Brussels, 6 June 2018

For the next long-term EU budget 2021-2027, the Commission proposes to create the InvestEU Programme, bringing EU budget financing in the form of loans and guarantees under one roof.

InvestEU will bring together the multitude of financial programmes currently available and expand the successful model of the Investment Plan for Europe, the Juncker Plan. With InvestEU, the Commission will further boost job creation, investment and innovation.

President Jean-Claude **Juncker** said: *"The Investment Plan for Europe has proven a success when it comes to mobilising private investment and creating jobs in Europe. It has already triggered almost €290 billion in investment that would not have been possible without it, and provided financing for 635,000 small businesses. With InvestEU, we are taking this successful model and expanding it across the many EU financing programmes on offer. We are simplifying, doing more with less, and placing a stronger focus on social investments."*

Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"The InvestEU Programme is a structural reform in the EU budget. It brings the multitude of EU financing programmes into a single structure with a single brand: InvestEU. By building on the success of the European Fund for Strategic Investments, we can continue to boost jobs, innovation and skills in Europe with the added bonus of making it easier and more transparent for beneficiaries. InvestEU will help us achieve our policy goals such as sustainability, scientific excellence, social inclusion and helping our small businesses to scale up, with the aim of mobilising over €650 billion in investments – mostly from the private sector. And we give Member States the option to leverage their EU funds even further through the guarantee fund. A win-win"*.

The new programme will consist of the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal.

1. InvestEU Fund

Building on the success of the Juncker Plan, the InvestEU Fund will continue to mobilise public and private investment in the EU to help address the still sizeable investment gap in Europe. The new Fund will notably:

- **Do more with less:** The Commission is proposing €15.2 billion be earmarked for the InvestEU Fund. This will allow the EU budget to provide a €38 billion guarantee which will be used to support strategically important projects across the EU. By crowding in private and public investments, the Commission expects the InvestEU Fund to trigger more than €650 billion in additional investment across the EU over the 7-year period;
- **Create a diversified, flexible portfolio:** The InvestEU Fund supports four policy areas – sustainable infrastructure; research, innovation and digitisation; small and medium-sized businesses; and social investment and skills. InvestEU will also be flexible: it will have the ability to react to market changes and policy priorities that change over time;
- **Streamline and simplify:** The InvestEU Programme will have a single, coherent governance structure and reporting requirements, avoiding overlaps. A single fund will integrate the many different EU-level financial instruments and the subsequent applicable rules that accompany them. This means a strengthened focus on policy areas and objectives. From helping us meet our Paris climate objectives to meeting our commitments in the European Pillar of Social Rights, InvestEU will be strongly linked to EU policy priorities;
- **Capitalise on the local, national and EU-wide expertise of our financing partners:** Given its role as the EU's public bank, its capacity to operate in all Member States, and its experience in managing the EFSI, the European Investment Bank (EIB) Group will remain the Commission's main financial partner under InvestEU. In addition, Member States' national and regional promotional banks and other institutions which can offer specific expertise and experience may

become financial partners, subject to conditions;

- **Help Member States leverage their EU funds more effectively:** Member States will have the option to channel some of their allocated Cohesion Policy Funds into the InvestEU budget guarantee. Any funds channelled into the Fund will benefit from the EU guarantee and its high credit rating, giving national and regional investments more firepower. If Member States choose to do this, the funds will be earmarked for that particular country. To facilitate a seamless deployment of the InvestEU fund, the Commission is also working on further streamlining State aid control of Member States' money channelled through InvestEU.

2. InvestEU Advisory Hub

Building on the model of the Investment Plan's [European Investment Advisory Hub](#), the InvestEU Advisory Hub will integrate the 13 different advisory services currently available into a one-stop-shop for project development assistance. It will provide technical support and assistance to help with the preparation, development, structuring and implementation of projects, including capacity building.

3. European Investment Project Portal

The Investment Plan's [European Investment Project Portal](#) gives visibility to investment projects across the EU and will be continued under the InvestEU Programme. The Portal brings together investors and project promoters by providing an easily-accessible and user-friendly database, giving projects more visibility and enabling investors to find investment opportunities in the sector or location of their interest.

Structural reforms remain essential

EU financing alone will not address the low levels of investment in Europe. Member States should use all the support on offer to address national barriers to investment and to improve their business environments, in particular by implementing the European Semester's Country Specific Recommendations. On 31 May, the Commission proposed to create a [Reform Support Programme](#) which will support priority reforms in all EU Member States, with an overall budget of €25 billion. This new programme includes financial support for reforms as well as technical support and expertise.

Next steps

A swift agreement on the overall long-term EU budget and its sectoral proposals is essential to ensure that EU funds start delivering results on the ground as soon as possible. Delays would mean that we would continue to see low levels of public and private investment in the EU which would have tangible consequences for jobs and growth in Member States.

An agreement on the next long-term budget in 2019 would provide for a seamless transition between the current long-term budget (2014-2020) and the new one and would ensure predictability and continuity of funding to the benefit of all.

Background

The investment conditions in Europe have improved since the Juncker Plan was launched, thanks to structural reforms carried out by the Member States, a more favourable economic situation and interventions such as the EFSI. However, there is still a sizeable investment gap in Europe:

- Investment in higher-risk activities such as **research and innovation** is still inadequate which can be damaging to the industrial and economic competitiveness of the Union and the quality of life of its citizens;
- **Infrastructure investment** activities in the EU stood at [1.8% of EU GDP](#) in 2016, down from 2.2% in 2009;
- Moreover, we must address the EU's **structural investment needs** in the face of technological change and global competitiveness, including for innovation, skills, infrastructure, small and medium-sized enterprises and the need to address key societal challenges such as sustainability and population ageing.

The [Investment Plan for Europe](#), the Juncker Plan, was launched in November 2014 to reverse the downward trend of low-levels of investment and put Europe on the path to economic recovery. Operations approved under the Juncker Plan's European Fund for Strategic Investments are expected to trigger [€287 billion](#) in investments as of May 2018. Around 635,000 small and medium-sized businesses are expected to benefit from improved access to finance.

On 12 December 2017, the European Parliament and Member States [agreed](#) on the Regulation to enhance the EFSI and extend the investment target to €500 billion by end 2020. The EFSI 2.0 Regulation entered into force on 30 December 2017.

The Commission's [Reflection Paper](#) on the future of EU finances of 28 June 2017 highlighted the need

"to do more with less" and leverage the EU budget at a time of budgetary constraints.

The [independent evaluation of the EFSI](#) published in June 2018 concludes that the EU guarantee is an efficient way of increasing the volume of riskier operations by the EIB and it uses fewer budgetary resources compared to financial instruments. It also highlights the need to continue improving access to finance for innovation, as well as to strengthen synergies with other EU funding programmes.

For more information

Memo: [InvestEU Programme - questions and answers](#)

[InvestEU policy package](#)

Factsheet: [What is InvestEU?](#)

Factsheet: [InvestEU - what will it finance?](#)

[Proposal for a Regulation establishing the InvestEU Programme](#)

[EU budget for the future](#)

Follow Vice-President Katainen on Twitter: [@jyrkikatainen](#)

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IP/18/4008

Press contacts:

[Christian SPAHR](#) (+32 2 295 61 53)

[Siobhán MILLBRIGHT](#) (+32 2 295 73 61)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)

Attachments

[Factsheet - What will InvestEU finance.pdf](#)

[Factsheet - What is InvestEU.pdf](#)