# An Investment Plan for Europe

# The "virtuous triangle"

**INVESTMENT** 



STRUCTURAL REFORMS

FISCAL RESPONSIBILITY

### **An Investment Plan for Europe**

#### MOBILISING FINANCE FOR INVESTMENT

- Strong boost to strategic investments
- Better access to investment finance for SMEs and mid-cap companies
- Strategic use of EU budget
- Flexibility in the Stability and Growth Pact for Member States contributing to the new European Fund for Strategic Investments
- Better use of the European Structural and Investment Funds



#### MAKING FINANCE REACH THE REAL ECONOMY

- Project pipeline preparation and selection
- Technical assistance at all levels
- Strong cooperation between National Promotional Banks and the EIB
- Follow-up at global, EU, national and regional level, including outreach activities

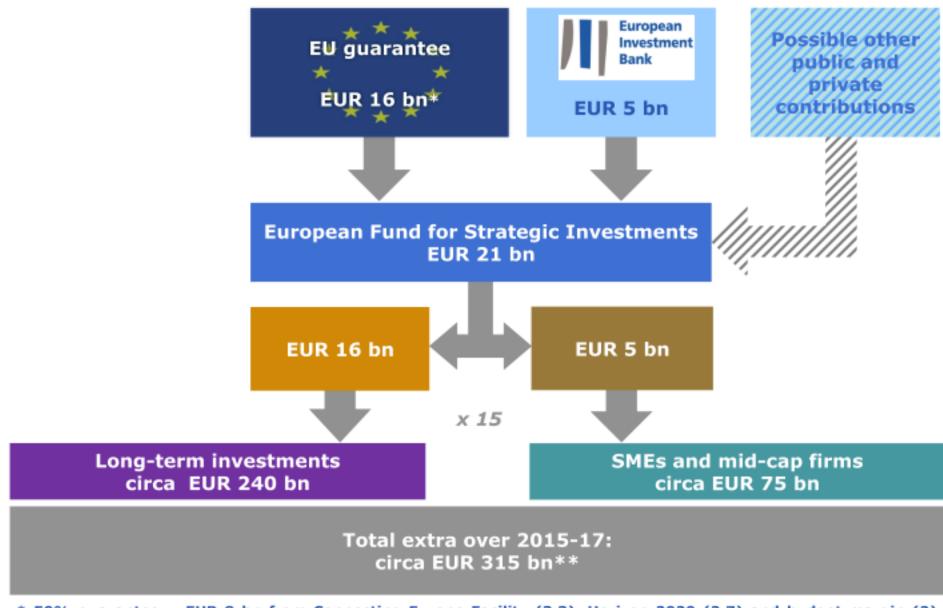




#### **IMPROVED INVESTMENT ENVIRONMENT**

- Predictability and quality of regulation
- Quality of national expenditure, tax systems and public administration
- New sources of long-term financing for the economy
- Removing non-financial, regulatory barriers in key sectors within our single market

## Where will the money come from?

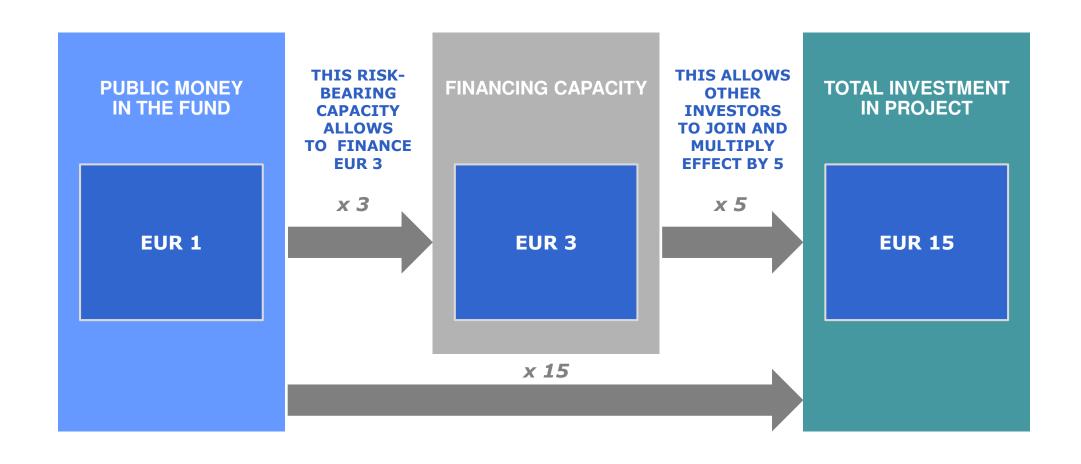


<sup>\* 50%</sup> guarantee = EUR 8 bn from Connecting Europe Facility (3.3), Horizon 2020 (2.7) and budget margin (2)

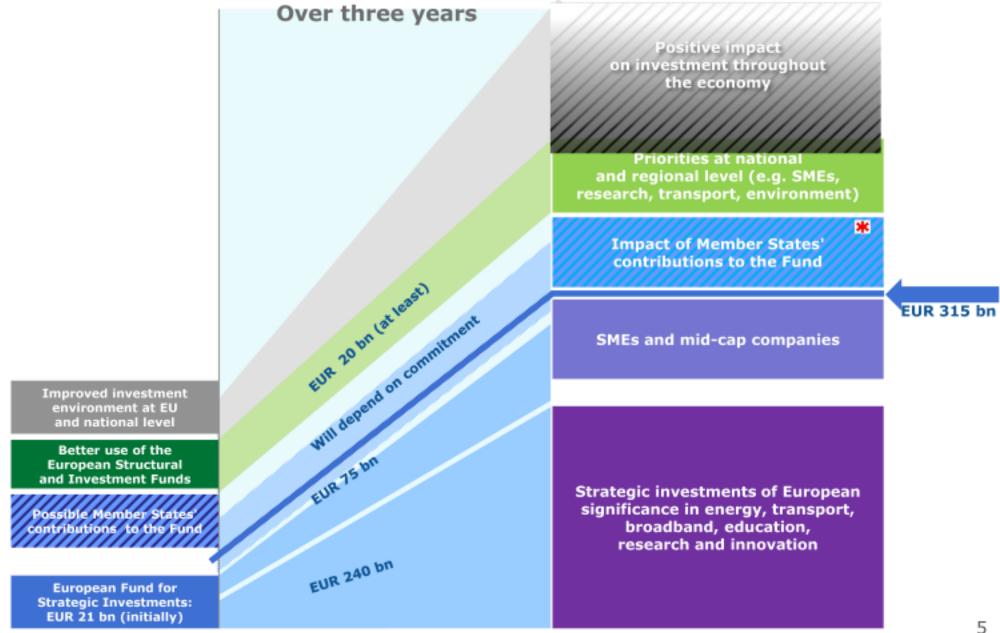
European Commission

<sup>\*\*</sup> Net of the initial EU contributions used as guarantee: EUR 307 bn

## **Multiplier effect**



## Mobilising finance for investment – leverage



<sup>\*</sup> In the context of the assessment of public finances under the Stability and Growth Pact, the Commission will take a favourable position towards such capital contributions to the Fund.

## **Long-term investments**

SOURCES OF FUNDING

European Fund for Strategic Investments The Fund serves as credit protection for new EIB activities



x3

TYPICAL PRODUCTS
OFFERED

Long-term senior debt for higher risk projects

**Subordinated loans** 

Equity and quasi-equity

Other investors join in on a project basis



*x* 5

FINAL RECIPIENTS AND TYPICAL PROJECTS

Transport infra

Long-term

investment

funds

Broadband infra

Energy infra

Innovation

Energy and resource efficiency

Research

Renewable energy

Other projects

Education and training

## **SMEs and mid-cap**

SOURCES OF FUNDING

European Fund for Strategic Investments The Fund serves as credit protection for new EIF activities



TYPICAL PRODUCTS
OFFERED

**Venture Capital** 

**Guarantees** 

**Securitisation** 

**Growth finance** 

Other investors join in on a project basis



FINAL RECIPIENTS AND PROJECT EXAMPLES

SME

Mid-cap

e.g. equity in a start-up

e.g. microloans to

> e.g. loans for R&D project

a SME

company
e.g.
venture
capital for
a prototype

## What will happen when?

#### December 2014 / January 2015

- The European Council and the Parliament should endorse the Investment Plan for Europe, including the decision to set up a European Fund for Strategic Investments and agree to fast-track the adoption of the relevant regulation.
- The Commission proposes the regulation in January 2015.
- The Parliament and Council discuss the regulation with a view to ensure its entry into force by June 2015.
- The European Investment Bank Group starts activities using its own resources.
- Member States should finalise the programming of European Structural and Investment Funds to maximise impact.
- Project identification is accelerated at EU level, based on the report of the Commission-EIB Task Force.
- · First steps are taken by the EIB and key stakeholders to build an investment advisory "Hub".

#### By mid-2015

- The new European Fund for Strategic Investments is operational.
- The European Structural and Investment Funds produce their impact, in synergy with EU programmes.
- A transparent pipeline of projects is in place at EU level, which will be developed over time.
- The new investment advisory "Hub" is operational.
- · Follow-up activities have started at EU, national and regional levels, together with relevant stakeholders.
- A dedicated website allows to monitor progress on the Investment Plan in real-time.

#### By mid-2016

- Progress will be reviewed, including at the level of Heads of State and Government.
- Further options may be considered ahead of the mid-term review of the Multi-annual Financial Framework.