

InvestEU programme 2021-2027

2018/0229(COD) - 06/06/2018 - Legislative proposal

PURPOSE: to establish the InvestEU Fund as a single investment support instrument for Union policies for the period 2021-2027.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: with 1.8% of EU GDP, down from 2.2% in 2009, infrastructure investment activities in the Union in 2016 were about 20% below investment rates before the global financial crisis. While investment conditions in Europe have improved thanks to structural reforms by Member States, a more favourable economic situation and public interventions, notably under the [European Strategic Investment Fund](#) (EFSI), investment gaps remain considerable in Europe.

In order to meet the ambitious policy objectives of the Union, attracting private capital to finance investment remains essential while adjusting the approach towards more policy relevance.

Building on lessons learnt from evaluations of predecessor financial instruments and of the EFSI, the Commission proposes to create the InvestEU programme for the multiannual financial framework 2021-2027 in order to consolidate all EU budget financing in the form of loans and guarantees into a single framework.

All evaluations found that the EU Guarantee proved relevant and enabled the EIB to undertake riskier activities and introduce higher risk products to support a wider range of beneficiaries. The EFSI also proved a relevant tool to mobilise private capital.

The EFSI has mobilised EUR 207 billion of investment by end-2017. Mobilised investment from approved operations are expected to reach the EUR 315 billion target by mid-2018 or shortly thereafter.

The new InvestEU programme shall have the capacity to shape an EU strategy to address the persistent investment gaps in the Union in sectors such as in new mobility models, renewable energies, energy efficiency, research and innovation, digitisation, education and skills, social economy and infrastructure, circular economy, natural capital, climate action or small and medium-sized businesses creation and growth.

CONTENT: the proposed Regulation - presented for a Union of 27 Member States - seeks to establish the InvestEU Fund which shall support the policy objectives of the Union by mobilising public and private investment within the EU, hereby addressing market failures and investment gaps that hamper the achievement of EU goals regarding sustainability, competitiveness and inclusive growth.

With the InvestEU programme, a single EU investment support instrument for internal action shall be created for the 2021-2027 MFF.

InvestEU Fund: this fund consists of an EU budget guarantee that will back the financial products provided by the implementing partners. The Commission proposes to allocate EUR 15.2 billion to the InvestEU Fund. The EU budget could thus provide a guarantee of EUR 38 billion to support projects of strategic importance across the EU.

The financing and investment operations to be supported by the EU guarantee under the InvestEU Fund shall contribute to:

- the competitiveness of the Union, including innovation and digitisation;
- the sustainability of the Union economy and its growth;
- social resilience and inclusion;
- the integration of Union capital markets and the strengthening of the Single Market, including solutions addressing the fragmentation of the Union capital markets, diversifying sources of financing for Union enterprises and promoting sustainable finance.

The InvestEU Fund has four policy windows: (i) sustainable infrastructure; (ii) research, innovation and digitisation; (iii) SMEs; (iv) social investment and skills.

It is also foreseen that third countries could be associated to financial products under the policy windows of the InvestEU Fund by providing their full participation in cash. Member States wishing to use part of their funds under shared management through the InvestEU Fund may also contribute. These amounts come in addition to the EU guarantee of EUR 38 billion (in current prices).

The European Investment Bank (EIB) Group should remain a privileged implementing partner under the InvestEU Fund's EU compartment. In addition, banks and other national and regional development institutions in Member States with specific experience and expertise may become financial partners, under certain conditions.

Governance: the InvestEU Fund shall have an advisory board, which shall meet in two configurations: (i) representatives of implementing partners; and (ii) representatives of Member States.

In particular, it shall advise the Commission on the design of financial products to be implemented under the InvestEU Fund, market failures and sub-optimal situations. It shall inform Member States about the implementation of the InvestEU Fund and allow regular exchanges of views on market developments and sharing of best practices.

The proposal also introduces:

- the InvestEU advisory hub, which shall provide in particular technical assistance for project development;
- the InvestEU portal, which shall provide an easily accessible database to promote projects seeking funding.

BUDGETARY IMPLICATION: the budgetary framework (commitments in current prices) foreseen for the InvestEU Programme is EUR 14.725

billion, including EUR 525 million for the InvestEU advisory platform, the InvestEU portal and accompanying measures. The overall provisioning will amount to EUR 15.2 billion, of which EUR 1 billion being covered by revenues, repayments and recoveries generated by existing financial instruments and the EFSI.