



## Investment Plan for Europe exceeds €500 billion investment target ahead of time

Brussels, 2 July 2020



- The European Fund for Strategic Investments (EFSI) has mobilised €514 billion in additional investment across the EU since July 2015 – reaching its target half a year before the end of the initiative.
- EFSI, the financial pillar of the Investment Plan for Europe, has made a clear impact on the EU economy and is proving its versatility in response to the coronavirus pandemic.
- Over the past five years, hundreds and thousands of businesses and projects have benefitted, making Europe more social, green, innovative and competitive.

The European Commission and the European Investment Bank (EIB) Group have delivered on their pledge to mobilise €500 billion in investment under the [Investment Plan for Europe](#). Some 1,400 operations have been approved under the [European Fund for Strategic Investments](#) (EFSI), using a budget guarantee from the European Union and own resources from the EIB Group. They are expected to trigger close to €514 billion in additional investment across EU countries and to benefit some 1.4 million small and mid-sized companies. In 2017, when the Council and the Parliament agreed to broaden the EFSI's scope and size, the goal was to mobilise €500 billion by the end of 2020. The money was intended to address the investment gap left as a result of the 2007/8 financial and economic crisis.

Over the past years and especially after the coronavirus outbreak the focus of the EFSI shifted: it has inspired [InvestEU](#), the Commission's new investment programme for the years 2021-2027, and already now it contributes to the Corona Response Investment Initiative. EFSI will also play a key role in the [NextGenerationEU package](#) of measures to rebuild the European economy after the coronavirus shock. It will do this via a top-up for a [Solvency Support Instrument](#), which aims to prevent insolvencies in European businesses.

President of the European Commission **Ursula von der Leyen** said: *"The Investment Plan for Europe is a success. Over the past five years, it has enabled the financing of hundreds of thousands of businesses and projects, delivering on our ambitions of making Europe more green, innovative and fair. We will continue this through NextGenerationEU."*

European Investment Bank Group President Werner Hoyer said: *"EFSI can serve as a blueprint for action during the coronavirus response. Knowing that we exceeded the headline figure of €500 billion of investment ahead of time is proof of the power of partnership. Implementing the financial pillar of the Commission's Investment Plan for Europe has been an honour and a challenge for the EIB. We lived up to it not least thanks to the excellent cooperation between the Bank and European and national institutions. The success of this initiative shows what Europe can achieve with the right tools: our continent has become more social, green, innovative and competitive. We can and we should build on our experience to overcome the current crisis. It will help us to shape a Europe all of us can be proud of."*

**What has the European Fund for Strategic Investments financed?**

The EFSI allows the EIB Group to finance operations that are riskier than its average investments. Often, EFSI-backed projects are highly innovative, undertaken by small companies without a credit history, or they pool smaller infrastructure needs by sector and geography. Supporting such projects required the EIB Group to develop new financing products, for example [venture debt](#) with equity features or investment platforms. This changed the DNA of the Bank and revolutionised the way Europe finances its priorities.

Importantly, the EFSI also enables the EIB to approve a greater number of projects than would be possible without the EU budget guarantee's backing, as well as to reach out to new clients: three out of four receiving EFSI backing are new to the bank. This proves the added value of EFSI operations.

Thanks to EFSI support, the EIB and its subsidiary for financing small businesses, the [European Investment Fund](#) (EIF), have provided financing for hundreds of thousands of SMEs across a wide range of sectors and in all EU countries. Examples range from [sustainable agriculture](#) in Belgium, to [innovative medical technology](#) in Spain, to an [energy efficiency company](#) in Lithuania.

### **Economic impact: jobs and growth**

The impact of the initiative is sizable. Based on results from December 2019, the EIB's Economics Department and the Commission's Joint Research Centre (JRC) estimate that EFSI operations have supported around 1.4 million jobs with the figure set to rise to 1.8 million jobs by 2022 compared to the baseline scenario. In addition, calculations show that the initiative has increased EU GDP by 1.3% and it is set to increase EU GDP by 1.9% by 2022. As of the beginning of this year, 60% of the capital raised came from private resources, meaning that EFSI has also met its objective of mobilising private investment.

Measured against the size of the economy the biggest impact is in countries that were hard hit by the 2007/8 crisis, i.e. Cyprus, Greece, Ireland, Italy, Portugal, and Spain. While the direct investment impact is particularly high in those countries, the calculations found that cohesion regions (mostly Eastern European countries) are likely to benefit more from a long-term effect. These calculations correspond with the actual financing activities under EFSI: top countries ranked by EFSI-triggered investment relative to GDP are Bulgaria, Greece, Portugal, Estonia, and Spain.

### **How has the Investment Plan for Europe benefited citizens?**

The EIB's [EFSI report 2019](#) lists a number of concrete outcomes of the initiative. Thanks to the EFSI:

- Some 20 million additional households can access high-speed broadband
- Around 540,000 social and affordable housing units have been built or renovated
- 22 million Europeans benefit from improved healthcare services
- Some 400 million passenger trips/year will benefit from new or improved transport infrastructure
- 13.4 million households were supplied with renewable energy.

### **Background**

The Commission and the EIB Group launched the Investment Plan for Europe in November 2014 to reverse the downward trend of investment and put Europe on the path to economic recovery. Its financial pillar, the European Fund for Strategic Investments, was initially tasked to mobilise €315 billion in additional investment by 2018. Given its success, the European Parliament and Member States agreed to enhance the EFSI and extend the investment target to €500 billion by end 2020.

An [independent evaluation of the EFSI](#) published in June 2018 concluded that the EU guarantee is an efficient way of increasing the volume of riskier operations by the EIB, as it uses fewer budgetary resources compared to European grant programmes and financial instruments. It underlines that EIB support is key to EFSI beneficiaries: it provides a "stamp of approval" to the market, thus helping to facilitate future fund-raising. EFSI's success is based not least on its [efficient governance structure](#), which is responsive to constant changes of the markets. An independent group of experts decides if a project qualifies for backing by the EU guarantee. The goal: de-risking private investment into projects needed for a more sustainable Europe and adding value to what would have happened without public assistance.

In May 2020, the European Commission presented its revised proposal for the successor to the Investment Plan for Europe under the next Multiannual Financial Framework starting in 2021: the InvestEU Programme.

### **For More Information**

[Video: What is EFSI? Growing stronger together](#)

[Investment Plan website](#)

[Complete database of EFSI projects](#)

[Revised InvestEU Q&A](#)

[Solvency Support Instrument Q&A](#)

[Factsheet: EFSI exceeds €500 billion investment target](#)

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