



Education and the Investment Plan for Europe

Investment in education and training is crucial to ensure Europeans have the skills they need to find their place in the job market and society as a whole. That is why education is one of the priorities under the [Investment Plan for Europe](#). The European Commission launched this initiative in November 2014 at the start of its current mandate to remove obstacles to investment, provide visibility and technical assistance to investment projects and make smarter use of new and existing financial resources.

“We need to invest in our education and innovation systems that are often underfunded and less equipped than those of our key competitors.”

Jean-Claude Juncker, President of the European Commission

Investing in education: a pressing need

Today, 1 in 5 Europeans lack very basic reading, writing and numeracy skills and fail to perform basic ICT tasks. At the same time, EU countries are not investing enough in education. In the years 2010-14, public expenditure on education was cut in 13 Member States – in 9 of them by more than 5% - and in the EU on a whole it decreased by 2.3%.

“Education is an investment with high economic returns, which has the potential to attract significant resources also from private investors. The Investment Plan can help to make this happen.”

Tibor Navracsics, Commissioner for Education, Culture, Youth and Sport

The EU is already supporting national and regional authorities as well as education institutions and civil society organisations to boost investment in education and training. Money comes from different European funds. During the current financing period (2014 – 2020), for example:

- [Erasmus+](#), with a budget of € 14.7 billion, will support over 4 million Europeans to study, train, gain work experience and volunteer abroad.
- The [European Social Fund](#) will dedicate up to € 26.7 billion to education and training, € 8 billion of which will be used for actions aimed at reducing early school leaving.
- The [European Regional Development Fund](#) will allocate € 6.5 billion to education infrastructure.

How can education and training benefit from the Investment Plan?

The Investment plan for Europe offers an additional opportunity to bring fresh money to the education sector. The backbone of the Plan is the European Fund for Strategic Investments, [EFSI](#), a new budgetary tool that goes beyond grants and subsidies. In order to attract private capital to concrete projects, the EFSI offers an EU guarantee and therefore allows to finance projects that would otherwise not be viable. It will support projects with a wide range of different financial instruments, for example debt financing, guarantees and equity. To bolster its impact, it is also possible to combine support from the Fund with financing from other programmes such as the European Social Fund. EFSI targets both long-term investment and specific financing solutions for SMEs. Education and training has a clear potential to benefit from the Plan through both these channels.

What could this look like in practice?

• Upgrading educational Infrastructure:

Under EFSI, it is possible for public-private partnerships to develop projects for upgrading and modernising the infrastructure of schools and universities, thereby improving the learning environment for students as well as working conditions for teachers. This can include equipping schools with broadband access and ICT tools, as well as building high tech campuses with high-end laboratories.

• Supporting students:

As EFSI can be used as a guarantee, students could benefit from loan programmes at excellent rates.

• Boosting the knowledge triangle:

EFSI can also be used to strengthen the links and create synergies between education, business and research. Start-ups could benefit from more favourable financing to develop university based research into marketable projects.

“The new European Fund for Strategic Investments will act as a multiplier. Every public euro mobilised in the Fund will generate about EUR 15 of investment that would not have happened otherwise”.

Jyrki Katainen, Vice-President for Jobs, Growth, Investment and Competitiveness

The European Investment Bank

The European Investment Bank (EIB) also supports education and training, mainly through loans. In 2015 alone, the EIB provided € 4.3 billion for a wide range of projects, ranging from kindergartens to high-tech university campuses.

NEED HELP WITH YOUR FUNDING IDEA? ONE SINGLE ENTRY POINT



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Lower-risk investment

EFSI
- loans
- guarantees
- equity
- other



Project 1:
Student housing



Project 2:
Research labs



Project 3:
Office space for
student entrepreneurs



The **European Investment Project Portal** will enable EU-based project promoters that are seeking external financing to share their investment projects and ideas with potential investors. It should be operational in 2016.