

EU BUDGET FOR THE FUTURE MFF 2021-2027

Investment support under
next MFF – InvestEU



#EUBudget

Structure of the presentation

1. Rationale

2. Key principles and objectives

3. InvestEU Fund

4. The EU guarantee

5. InvestEU Advisory Hub and InvestEU Portal



1. Rationale

Building on EFSI...

EIB Group figures As of 15/05/2018

EFSI investment by sector*

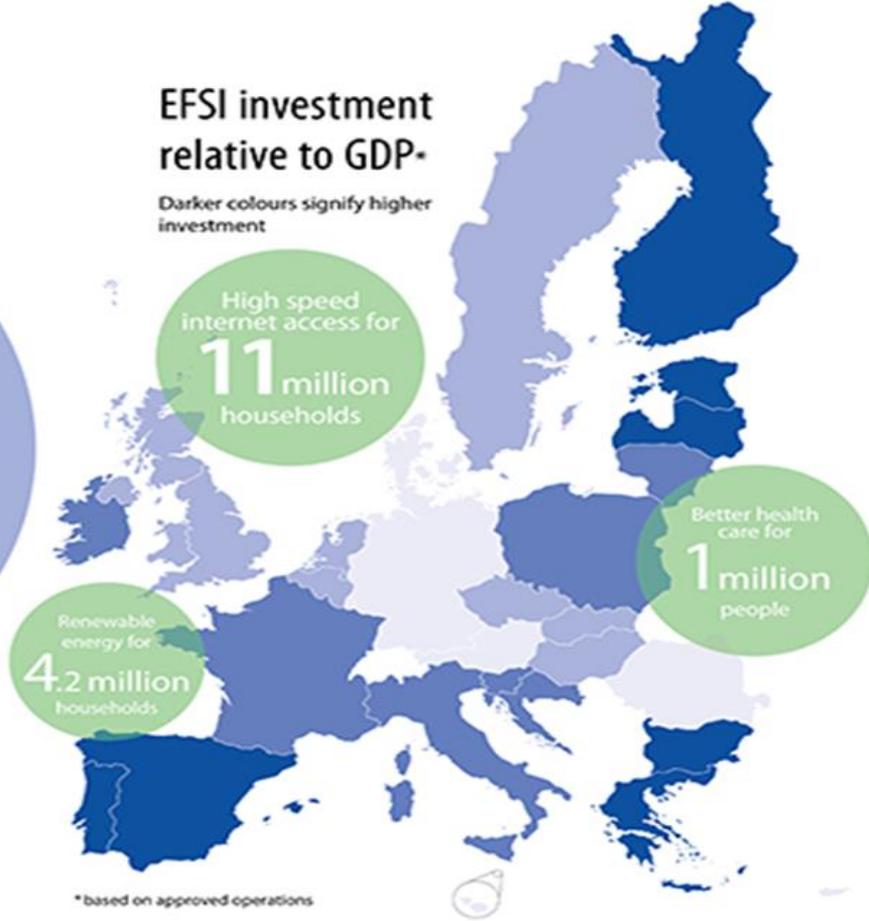
- Smaller companies 28%
- RDI 22%
- Energy 22%
- Digital 11%
- Transport 9%
- Social Infrastructure 4%
- Environment and resource efficiency 4%



Target by 2020 **EUR 500bn**

EFSI investment relative to GDP*

Darker colours signify higher investment



* Based on approved operations

1. Rationale

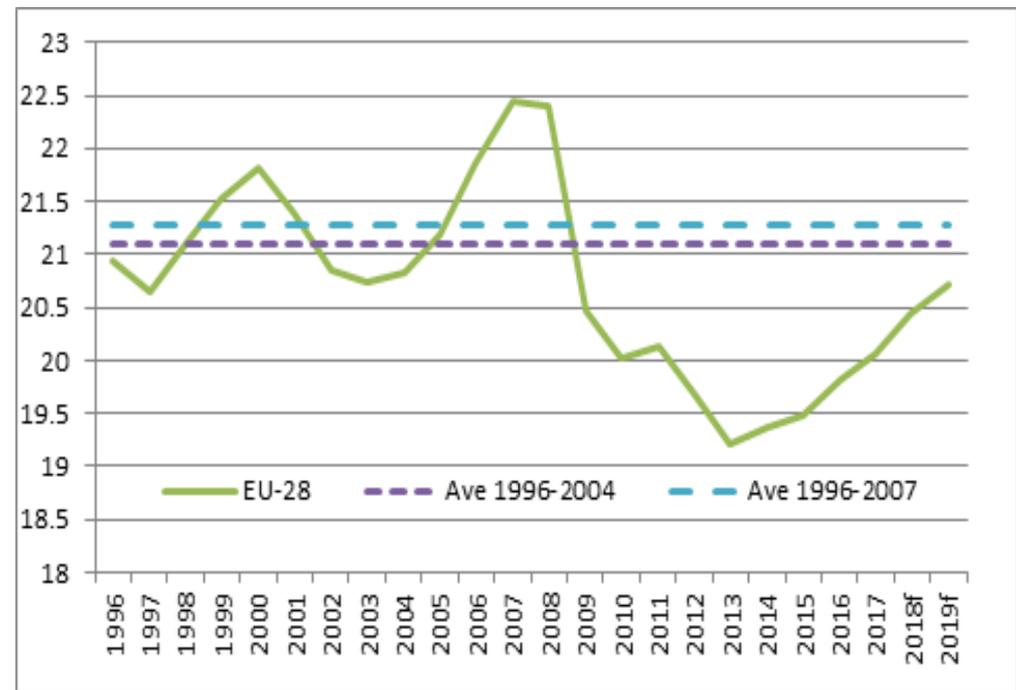
Address market gaps to sustain investment..

- By 2021, Member States are expected to have recovered their pre-crisis GDP level, with very few exceptions

But:

- Persistent market gaps are still observed in different policy areas and hold back investment
- Not enough to compensate years of underinvestment as a percentage of GDP
- Not enough to finance needs in key sectors

Investment in EU as a % of the GDP (current prices)



1. Rationale

The programmes replaced

Equity Instruments

Guarantee Instruments

Risk Sharing Instruments

CEF
Equity

EaSI
Guarantee

COSME
Loan
Guarantee
Facility

Natural
Capital
Fin. Fac.

COSME
EFG

EFSI

Private
Finance
for Energy
Efficiency

Innovfin
Risk
Sharing

EaSI
Capacity
Building IW

Innovfin
Debt

CEF
Debt
Instrument

Innovfin
Equity

Student Loans
GF

Cultural
and
Creative
Sector GF

InvestEU

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2. Key principles and objectives

The four windows

**Sustainable
infrastructure**

**Research,
innovation and
digitisation**

SMEs

**Social
investment
and skills**

2. Key principles and objectives

The objectives

- **General objective:** to support the policy objectives of the EU by means of **financing and investment operations** contributing to:
 - the **competitiveness** of the EU
 - the **sustainability** of the EU economy and its growth
 - the **social resilience and inclusiveness** of the EU
 - the **integration of EU capital markets** and the strengthening of the Single Market

2. Key principles and objectives

Social investment and skills

- Develop and consolidate the nascent **market ecosystems**
- Increase access to, and the availability of, **microfinance** for vulnerable persons and micro-enterprises, **social enterprises**
- Build up a stronger capital market for **social infrastructure** promoters
- Support **skills and training** for students and workers, as well as education and training providers

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3. InvestEU fund

InvestEU indicative proposed budget

Window	Budgetary guarantee	Mobilised investment (estimate)
Sustainable infrastructure	11 500	185 000
Research, Innovation and Digitisation	11 250	200 000
SMEs	11 250	215 000
Social investment and skills	4 000	50 000
TOTAL (EUR Million, in current prices)	38 000	650 000

- **Budget for InvestEU Advisory Hub, InvestEU Portal and accompanying measures is proposed to be EUR 525m.**

3. InvestEU fund

InvestEU implementing partners

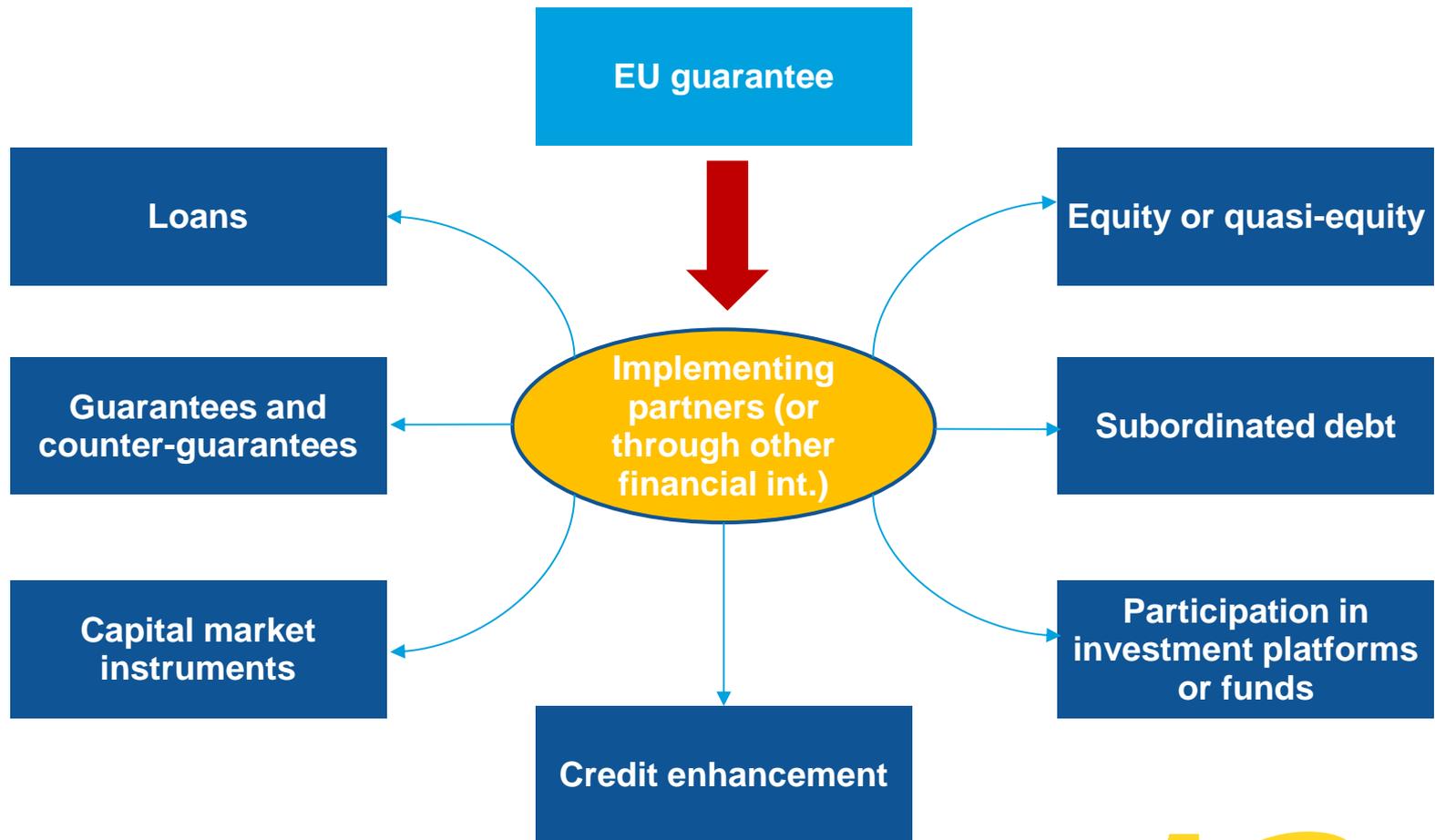
InvestEU Fund backs the financial products provided by the implementing partners.

Eligible:

- EIB Group
- Other IFIs (EBRD, COE Bank..)
- National Promotional Banks and Institutions
- Other entities fulfilling the criteria laid down in the Financial Regulation

4. The EU guarantee

EU Guarantee: eligible types of financing



4. The EU guarantee

EU Guarantee: conditions

- Address market failures or sub-optimal investment situations
- Final recipients must be deemed economically viable
- Additionality
- No distortion of competition
- Leverage and multiplier effect > maximisation of private investment

4. The EU guarantee

The two compartments

EU compartment

- Fosters EU level action and tackles EU level market gaps
- Four policy windows
- Budgetary guarantee of EUR 38bn
- Guarantee is not geographically ring-fenced

InvestEU
Fund

MS compartment

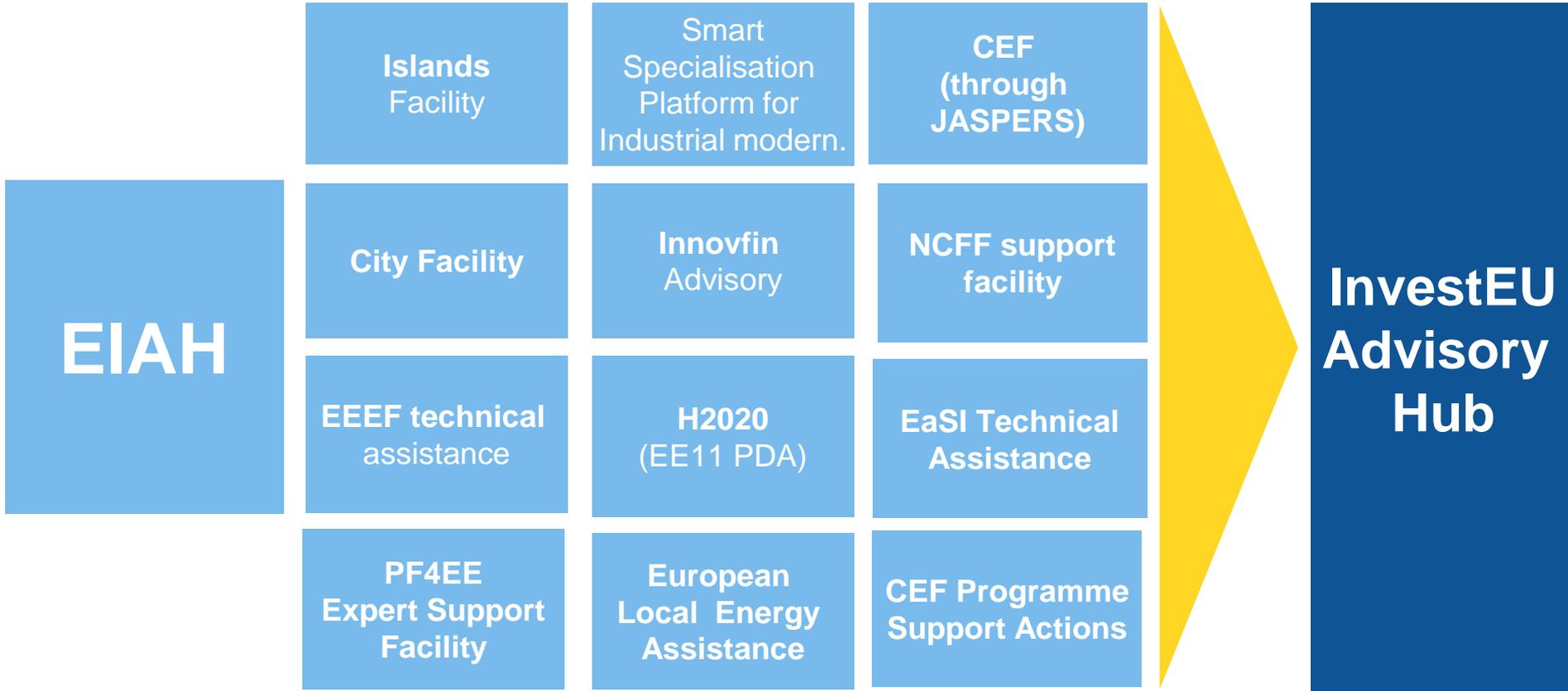
- Fosters MS level action and tackles local level market gaps
- On a voluntary basis by MS can allocate amounts to provision the MS compartment from ERDF, ESF+, EMFF, EAFRD or cohesion fund
- Established at the level of each policy window; 1MS = 1sub-compartment
- Based on a specific contribution agreement defining size, provisioning, contingent liability...
- Contributions are geographically ring-fenced
- InvestEU rules apply

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5. InvestEU advisory

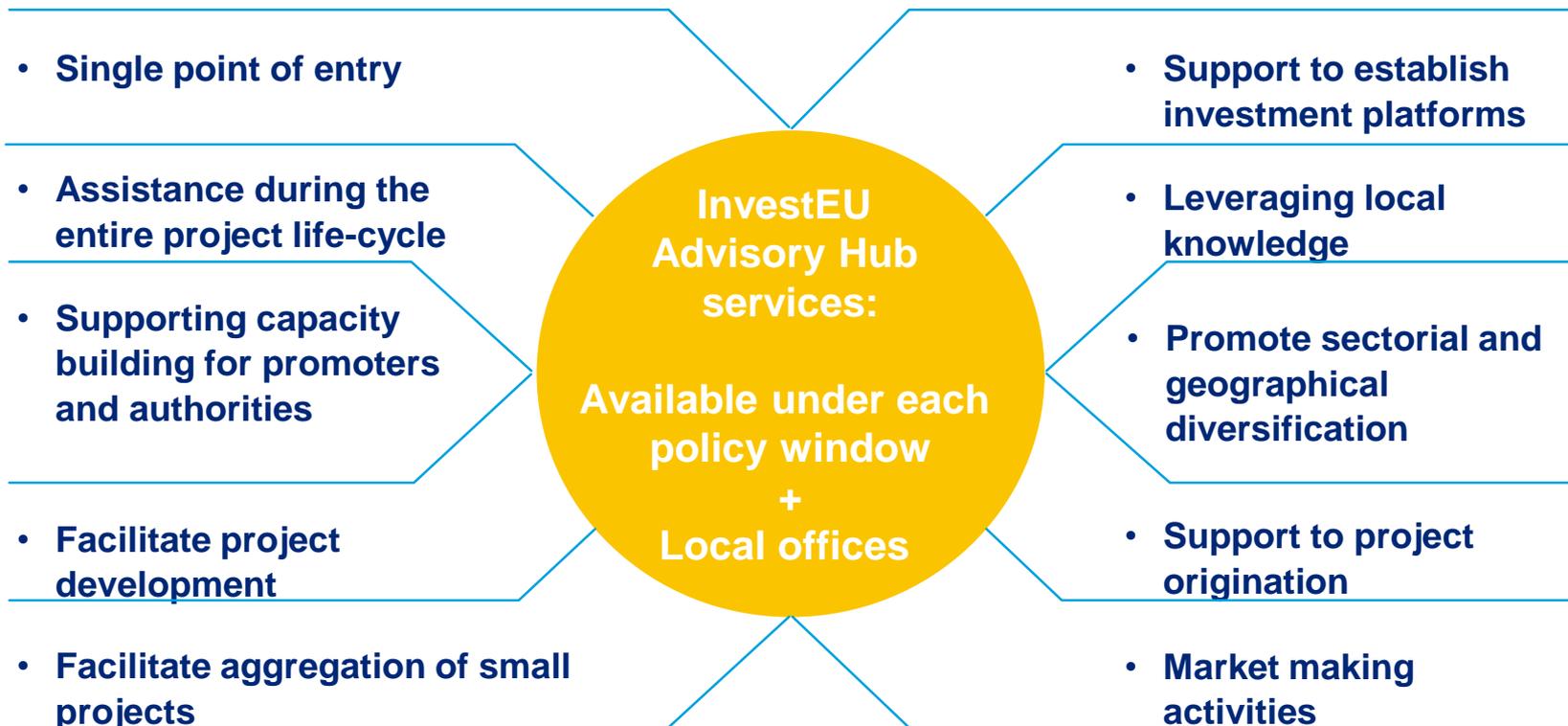
The advisory programmes replaced



5. InvestEU advisory

InvestEU Advisory Hub

- Replaces 12 advisory bodies + EIAH



5. InvestEU portal

InvestEU Portal

Continues the current investment portal under EFSI

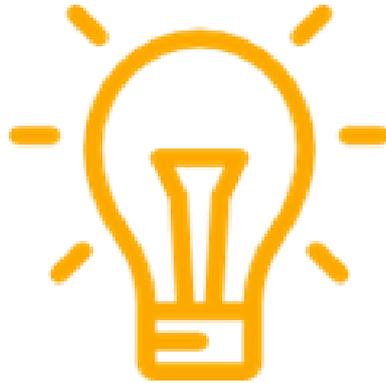
- Database will continue to be on-line and publicly available
- Not a pre-condition for financing, not a guarantee of financing

Provides visibility to investors and potential investors on pipelines

Consistency check with EU laws and policies

Better link to the InvestEU pipeline
(implementing partners to examine projects falling within their geographic and activity scope)

Thank you!



Questions?