

# Pact for Skills Webinar on Funding

- InvestEU Programme -

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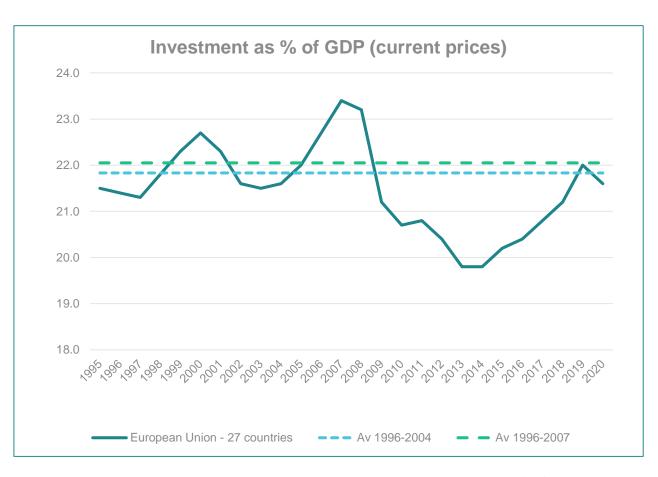


### Rationale: address market gaps to sustain investment

➢ By 2019, EU almost recovered pre-2008 crisis historic average investment-to-GDP.

### **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
- ➤ Recovery, Resilience & green and digital transitions





# Centrally managed instruments key lessons from 2014-2020

An increased number of centrally managed financial instruments brings risks of:

- Fragmentation
- Policy/financial overlaps
- Multiplication of agreements
- Multiplication of different fees



# InvestEU: unlocking private investments in 2021-2027

### Single programme

- All instruments under one roof
- Single agreement with implementing & advisory partners

### **EU** budgetary guarantee

 Leverage additional private investments

### **Open architecture**

 Direct access to the EU guarantee open to multiple implementing partners

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### Policy-driven approach

Thematic policy windows

## Possible Member State contributions

 Synergies with structural funds

### **Blending**

Harmonised combination rules



# InvestEU main components



#### THE INVESTEU FUND

Mobilising public and private investment using guarantees from the EU budget.



#### THE INVESTEU ADVISORY HUB

Providing technical advice to investment projects seeking financing.



#### THE INVESTEU PORTAL

An easily-accessible database bringing together projects and investors.

#### 2014-2020

- European Fund for Strategic Investments
- O CEF Debt Instrument
- O CEF Equity Instrument
- Loan Guarantee Facility under COSME
- Equity facility for Growth under COSME

- Innovfin Equity
- Innovfin SME guarantee
- InnovFin Loan Services for R&I Facility
- Private Finance for Energy Efficiency Instrument
- Natural Capital Financing Facility

- EaSI Capacity Building Investments
- EaSI Microfinance and Social Enterprise Guarantees
- Student Loan Guarantee Facility
- Cultural and creative sectors Guarantee Facility

2021-2027









Advisory Hub: €400m, Portal: €30m

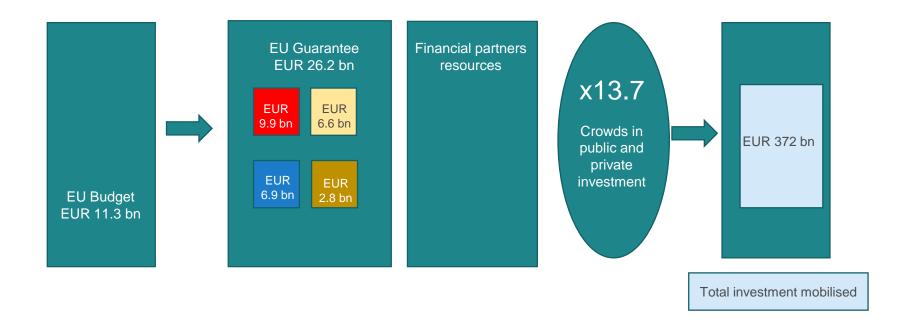


# InvestEU budget

	Budget allocation	EU Guarantee	
COM proposal (2018)*	€ 15.2 bn	€ 38.0 bn	
COM new proposal (May 2020)*	€ 34.8 bn	€ 75.2 bn	
Agreement*	€ 11.3 bn	€ 26.2 bn	ostments
* In current prices including reflows	MFF: EUR 4.2 bn NGEU: EUR 6.1 br Reflows: EUR 1bn	€ 370 bn mobilised	IUNE



### InvestEU Fund: investments to mobilise



EUR 372 bn of additional investment, of which 30% to contribute to climate objectives



# EU guarantee conditions

### The EU guarantee has to:

- Address market failures or sub-optimal investment situations
- Provide support only to final recipients that are deemed economically viable according to internationally accepted standards
- Achieve additionality by preventing the replacement of potential support and investment from other sources
- Not distort competition in the internal market and be consistent with State aid rules
- Achieve a leverage and a multiplier effect, by mobilising a global investment exceeding the size of the guarantee including the maximisation of private investment



### InvestEU Fund – allocation of the EU guarantee



€ 9.9 bn in EU guarantee



€ 6.6 bn in EU guarantee



€ 6.9 bn in EU guarantee



€ 2.8 bn in EU guarantee



# Social Investment and Skills Window





- Microfinance, social enterprise finance and the social impact and social economy
- Social infrastructure (incl. social services, social and student housing, education infrastructure, health infrastructure)
- Skills, education and training

# Final recipients targeted

(organisations and individuals!)

 Enterprises, incl. micro and social enterprises, self-employed, students and learners, education and training providers, NGOs

### focus on vulnerable groups

 Health authorities, health service providers (public and private)



## InvestEU for Skills – What is to be achieved?

- Stronger private sector investment in skills and skills management, through easier access to finance to the benefit of:
  - Individuals, (students & learners)
  - Enterprises, to strengthen workforce skills and skills management
  - Providers of education, training and related services, to grow and innovate



# Categories of activities – InvestEU for Skills

1. Individuals

Students and learners

2. Enterprises

Employee training

Apprenticeships

Skills utilisation

3. Organ. & cos.

Education, training and skills providers 4. Other

Individual Learning Accounts

Training funds

Investment platforms & PPPs



# How it works

Beneficiaries Implementing Partners Programme Direct financing Skills and Education beneficiaries Investment Individuals (students and InvestEU **Financial** learners) Guarantee Enterprises intermediaries: seeking to upskill their Banks, guarantee workforce societies, microfinance **Financing** Organisations INVESTMENT providers, venture FUND (loans, providing education capital, equity funds, and training services guarantees etc. incl. VET/AE and venture Other IPs providers capital/ equity (IFI, NPB) Other investments) Direct financing



# InvestEU – Timeline & next steps

Agreement on InvestEU regulation Investment Guidelines adoption End call for expression of interest (Advisory and Guarantee) 1st cut-off date

07/12/2020

**April 2021** 

June 2021



March 2021

Expected adoption of Regulation

**April 2021** 

Call for expression of interest (Advisory and Guarantee)



End call for expression of interest (Advisory and Guarantee)

2<sup>nd</sup> cut-off date



# Questions? (15 mins)



# Thank you



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