Mid-term review of the EU investment plan

Since 2015, the European Fund for Strategic Investments (EFSI) has triggered investments of €100 billion for close to 250 infrastructure and business projects, in 24 Member States. In the June plenary, the European Commission is to make a statement on its mid-term review of the Investment Plan to the European Parliament and may give consideration to further options.

Background
The Regulation on the European Fund for Strategic Investments (EFSI) was adopted on 25 June 2015 in order to bridge the EU investment gap, after a drop in the level of investment in the EU of about 15% from its peak in 2007. EFSI is financed by an initial €21 billion: €16 billion from the EU budget in the form of a guarantee to the European Investment Bank (EIB), and €5 billion from the EIB’s own resources. Through a multiplier effect estimated at 15:1, the aim is to mobilise a total of at least €315 billion in additional investment up to 2018.

Investment plan – state of play
The latest EFSI figures, presented by the European Commission, on the state of play of the Investment plan, indicate that 64 infrastructure and innovation projects and 185 small and medium-sized enterprise (SME) financing agreements have been approved to date. This has been financed under EFSI in the amount of €12.8 billion (€9.3 for projects and €3.5 for agreements). The expectation is that this will trigger total investment of €100 billion, which corresponds to 32% of the €315 billion target.

Examples of EFSI-financed projects are Nobelwind offshore wind in Belgium, Midland Metropolitan Hospital in the UK, Qredits loans for SMEs in the Netherlands, Energy efficiency in residential buildings in France, Äänekoski bio–product mill in Finland, Redexis gas transmission and distribution in Spain, Copenhagen infrastructure II in Denmark, Trenitalia Regional Rolling Stock in Italy, and Grifols bioscience R&D in Spain.

Sectors receiving financing via EFSI are energy (29%), Research, Development and Innovation (RDI) (23%), transport (13%), digital single market (13%) smaller companies (9%), environment and resource efficiency (9%), and social infrastructure (4%).

Projects and agreements linked to EFSI have been approved in 24 Member States, for example, in Italy (8 projects – 27 agreements), France (14 projects – 19 agreements), UK (7 projects – 13 agreements), Germany (4 projects – 15 agreements), Spain (6 projects – 8 agreements), and Belgium (3 projects – 6 agreements).

The second strand of the investment plan, the European Investment Project Portal (EIPP), which is intended to ensure that the real economy can profit from this extra investment, is operational as of 1 June 2016. Via the portal, projects may be submitted by project promoters, and investors can discover existing opportunities. EIPP is independent of EFSI and does not give any guarantee that a project will finally receive EFSI or other EU support. The third strand, the European Investment Advisory Hub (EIAH), aimed at strengthening Europe’s investment and business environment by addressing the main financial and non-financial obstacles, went live in September 2015. It is composed of three complementary elements: a single point of entry to a wide range of advisory assistance programmes; a cooperation platform; and an instrument to assess and address new needs.

Outlook
At the Parliament’s June I plenary, the European Commission will make a statement on its first review of the three-year investment plan one year after the political agreement on EFSI. The Commission adopted its report on 1 June, also publishing a fact sheet on the EFSI review, and has a dedicated website on the latest developments of the investment plan. EFSI will also be the subject of an EP implementation report.