



The Investment Plan for Europe current and future

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European Commission
DG Economic and Financial Affairs

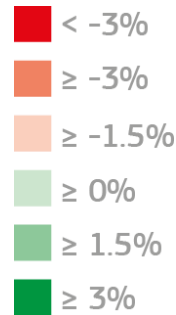
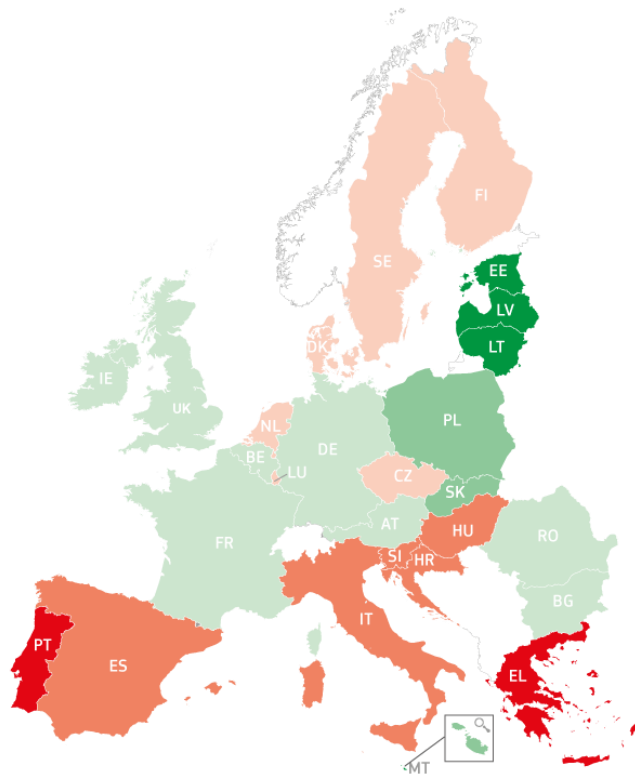
Brussels, 26 January 2017



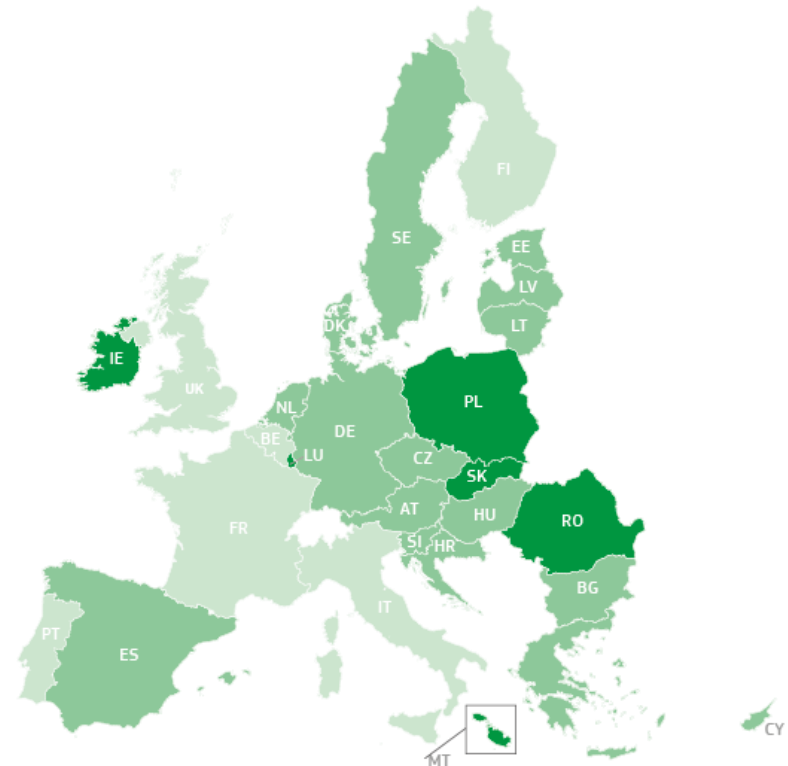
European
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EU Investment Plan: Why?

EU GDP growth 2012



EU GDP growth 2017 (forecast)



EU Investment Plan: Why?

**Investment &
competitiveness gap**

High liquidity in the market

Public budget constraints

**Financial and non-financial
barriers to investment**



Investment Plan for Europe

EU and Member State policy
action

EU budget guarantee

EIB capacity to mobilise
additional investment

EU Investment Plan: 3 pillars



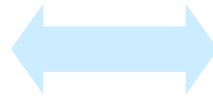
1. MOBILISING FINANCE FOR INVESTMENT

- Mobilise at least €315bn over 3 years for strategic investments and access to finance via the European Fund for Strategic Investments (EFSI) within EIB/EIF
- Cooperation with National Promotional Banks



2. MAKING FINANCE REACH THE REAL ECONOMY

- European Investment Project Portal (EIPP)
- European Investment Advisory Hub (EIAH)

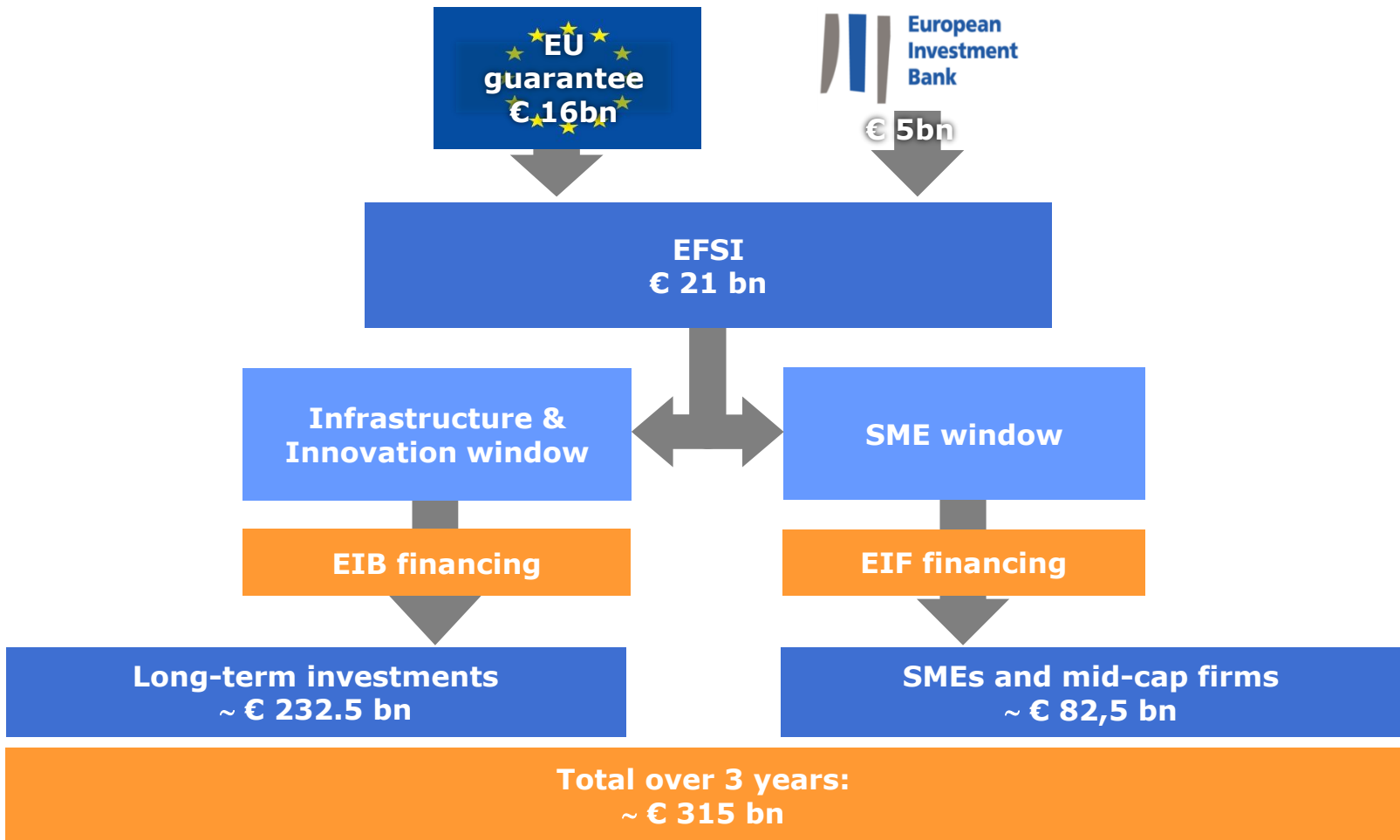


3. IMPROVED INVESTMENT ENVIRONMENT

- Predictability and quality of regulation
- Removing non-financial, regulatory barriers in key sectors within EU Single Market
- Structural reforms at national level



First Pillar: European Fund for Strategic Investments





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EIB Group figures

As of 31/12/2016

Of which
EUR 21.5bn
signed

Approved EFSI financing*

EUR 30.2bn

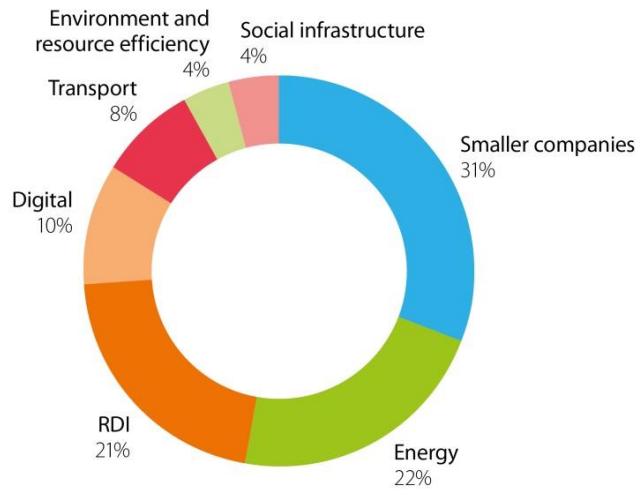
* EIB-approved: EUR 22bn
EIF-approved: EUR 8.2bn

Total investment related to EFSI approvals

EUR 163.9bn

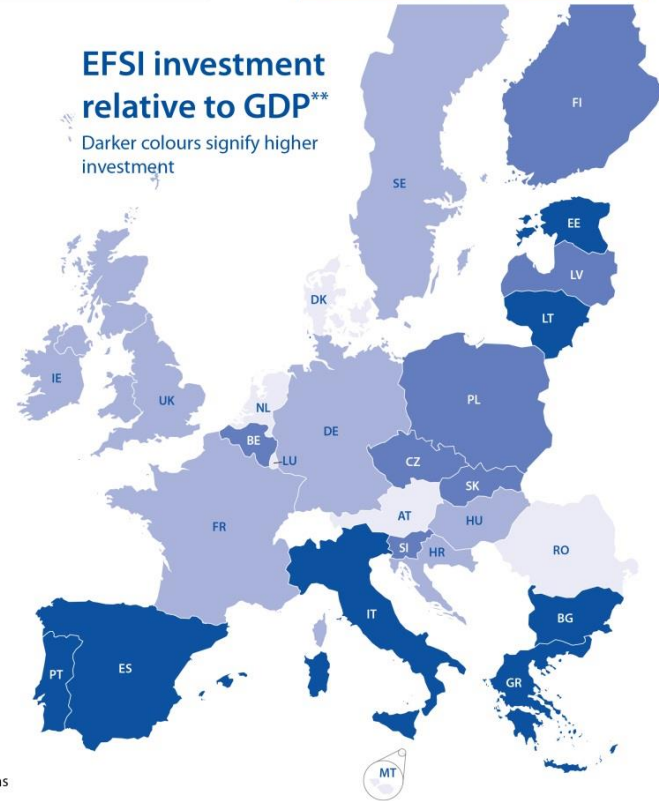


EFSI investment by sector**



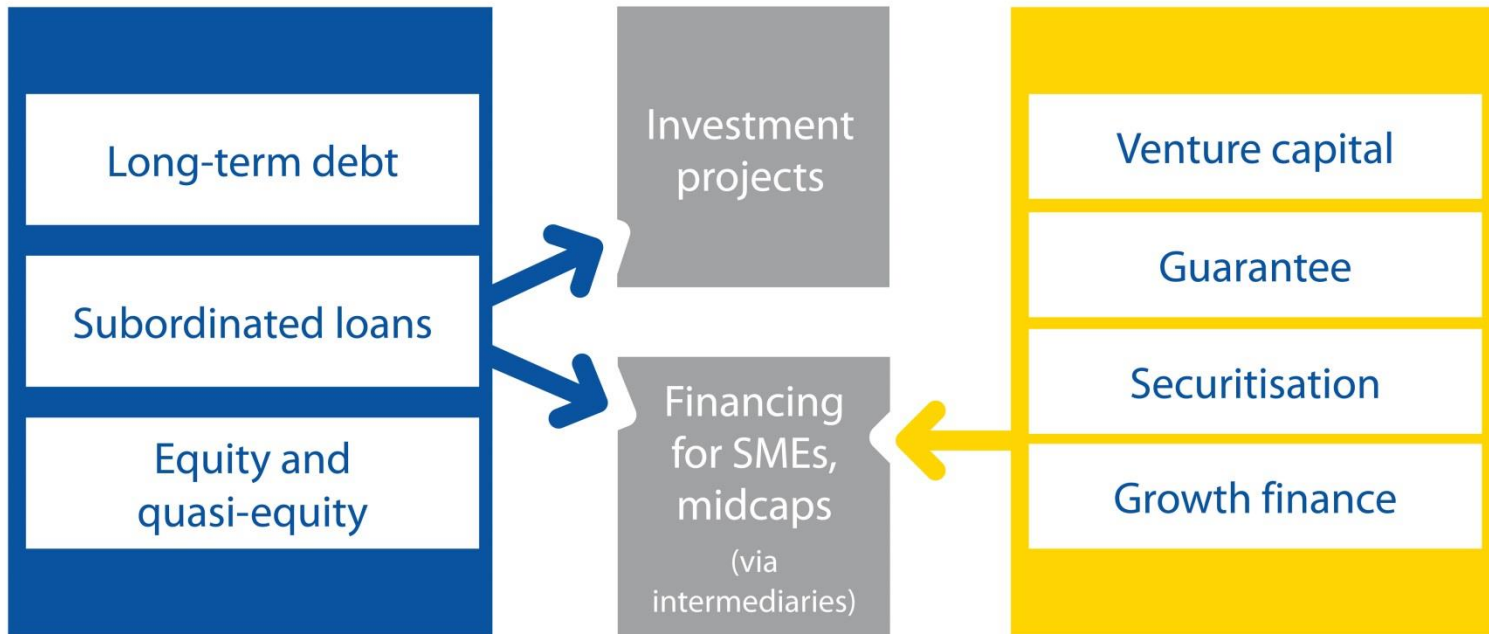
EFSI investment relative to GDP**

Darkers colours signify higher investment



**based on approved operations

EFSI type of instruments

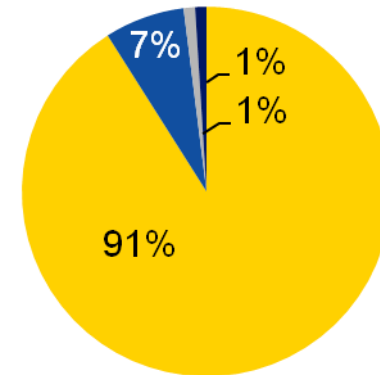


Continuously adapting to market needs

SMEs: Employers and Innovators

- ❑ More than **22 million SMEs** in the EU:
 - ❑ account for more than **99% of all companies**
 - ❑ employ **66.5% of all private-sector workforce**
- ❑ **Very flexible, adapt quickly**
- ❑ **Stable** employer, source of organic **growth** and **innovation**
- ❑ Support economic and social cohesion, interwoven in local communities

Share of total number of EU companies

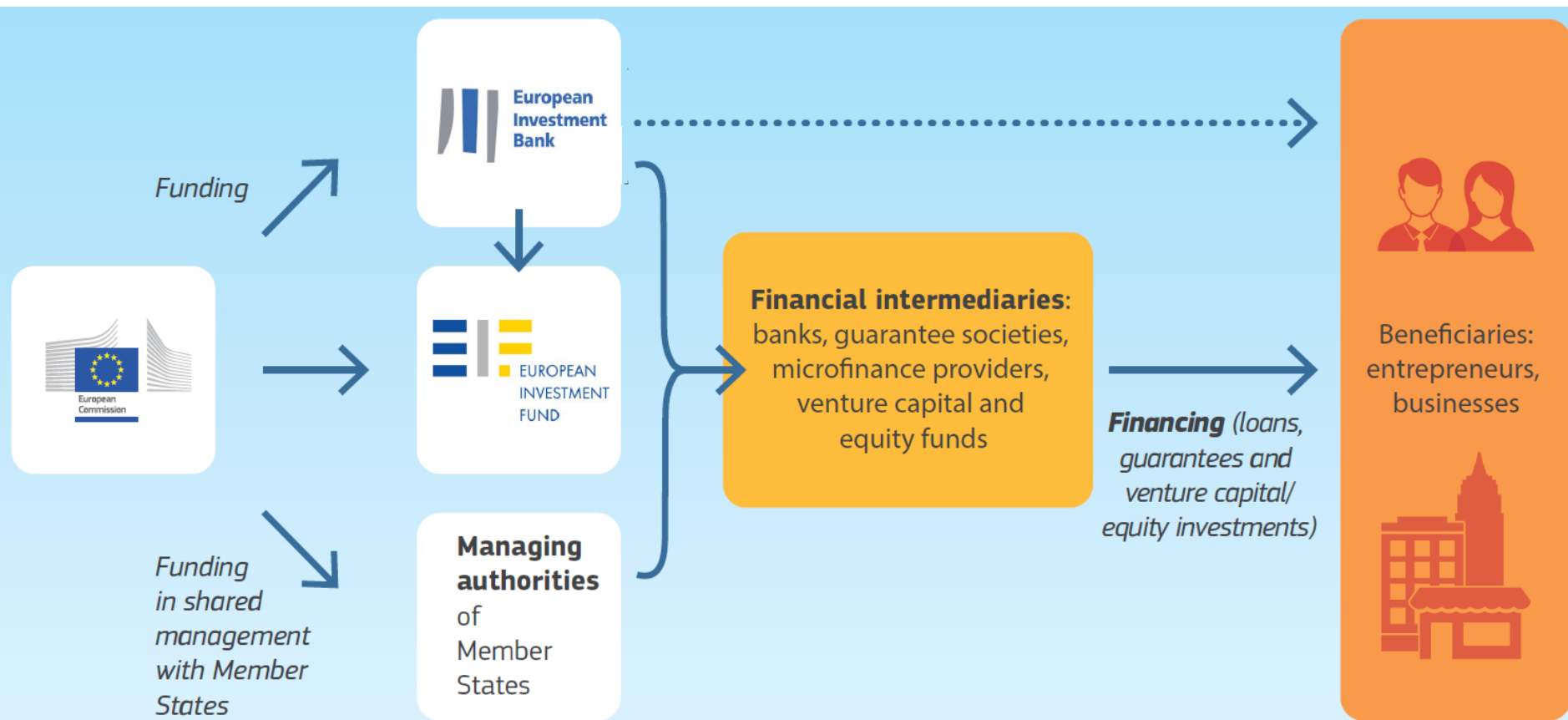


- Micro-enterprises 1 to 9 employees
- Small firms 10 to 49 employees
- Medium-sized firms, 50 to 250 employees
- Large enterprises

Source: Eurostat, Commission Communication on Modern SME policy for Growth and Employment

Therefore, to support innovation and employment, we must work with SMEs!

How do EU financial instruments work?



Financial Instruments for SMEs



What is available?

Who is eligible for EU funding?
Start-ups | Entrepreneurs | Businesses
=> **any size/ any sector**



Programme	Type	Amount
Social Change & Innovation	Microfinance	< €25.000
	Investments	< €500.000
COSME	Guarantees	< €150.000
	Equity	
Creative Europe	Guarantees	
InnovFin (Horizon 2020)	Guarantees	€25.000 - €7.500.000
	Equity	
Private Finance for Energy Efficiency	Loans	< €5.000.000
Natural Capital Financing Facility	Loans, equity	€5.000.000 - €15.000.000
European Investment Bank, European Investment Fund, European Structural and Investment Funds, European Fund for Strategic Investments	Loans, guarantees, equity	

Focus	Size of company		
	Micro	SMEs	Small mid caps
Micro-enterprises	✓		
Social enterprises	✓	✓	
General	✓	✓	
Growth, expansion stage	✓	✓	
Cultural and creative sector	✓	✓	
Research, development, innovation	✓	✓	✓
Start-up, early stage	✓	✓	✓
Energy efficiency	✓	✓	✓
Preservation of natural capital, climate change	✓	✓	✓
General	✓	✓	✓

SME Window of EFSI

- ❑ **Support to SMEs and mid-caps is foreseen** in the EFSI Regulation.
- ❑ A specific **SME Window** of EFSI has been created under the EIB-EU EFSI Agreement, signed 22 July 2015.
- ❑ The SME Window targets mainly SMEs, but also provides support to small mid-caps (up to 499 staff).
- ❑ The SME Window can support **businesses in EU Member States**, but should not target other countries (cross-border activities are allowed).
- ❑ The SME Window is **implemented via the European Investment Fund (EIF)**, through agreements between the EIF and financial intermediaries signed in **2015-2018/9**.

SME Window of EFSI – a success story

Spectacular start of EFSI SMEW:

- ❑ After 1,5 year of implementation, SMEW has reached **84% of the 3-year EFSI 1.0 target (2015-2018) for mobilised investment**;
- ❑ *Operations approved to date (December 2016) should mobilise approx. EUR 69bn of investment* (overall target EUR 82.5bn 2015-2018);
- ❑ **All 28 Member States** already covered;
- ❑ Overall, more than **388,000 enterprises** estimated to benefit from SMEW

SME Window of EFSI - Products

3 actions in place since July 2015 (reinforcing existing products):

- ❑ Enhancement of COSME loan guarantees on loans to high-risk SMEs; **expected to be fully deployed by early 2017;**
- ❑ Enhancement of InnovFin loan guarantees on loans to innovative and research-intensive companies; **expected to be fully deployed by early 2017;**
- ❑ EUR 2.5bn boost to "Risk Capital Resources", a facility investing in venture capital and equity funds; **already fully deployed.**

2 actions launched in July 2016

- ❑ Existing product. Guarantee on **loans to microenterprises and social enterprises** (enhancement of existing EaSI loan guarantee product);
- ❑ New Product. Equity product – **EUR 2bn envelope^(*) for EIF investment** in venture capital, private equity, business angels and social investment funds,
 - ❑ including the **pan-European Venture Capital Fund of Funds** programme

() EFSI: EUR 1.27bn + InnovFin: EUR 458m + EIF own resources: EUR 290m*

SME Window of EFSI – What next?

Topping up existing instruments, doubling the expected impact:

- ❑ Increase of available EIF guarantee capacity by **EUR 1.4bn from EFSI** for COSME, EaSI and InnovFin SME guarantees to ensure continuity and respond to high demand. Already existing EFSI enhancement products providing temporary guarantee capacity are replaced by permanent top-up products.
- ❑ Other (securitisation, CCS, social)

EFSI 2.0, proposed SMEW increase by EUR 5bn:

- ❑ Commission proposal published 14 September 2016 foresees a **significant boost** to the SME Window;

EFSI: what next?

**Extend the duration and increase the firepower of the EFSI
to mobilise at least EUR 500 billion by end-2020**

EUR 16bn + EUR 10bn

EU guarantee: **EUR 26bn**

+ EUR 5bn + EUR 2.5bn

EIB contribution: **EUR 7.5bn**

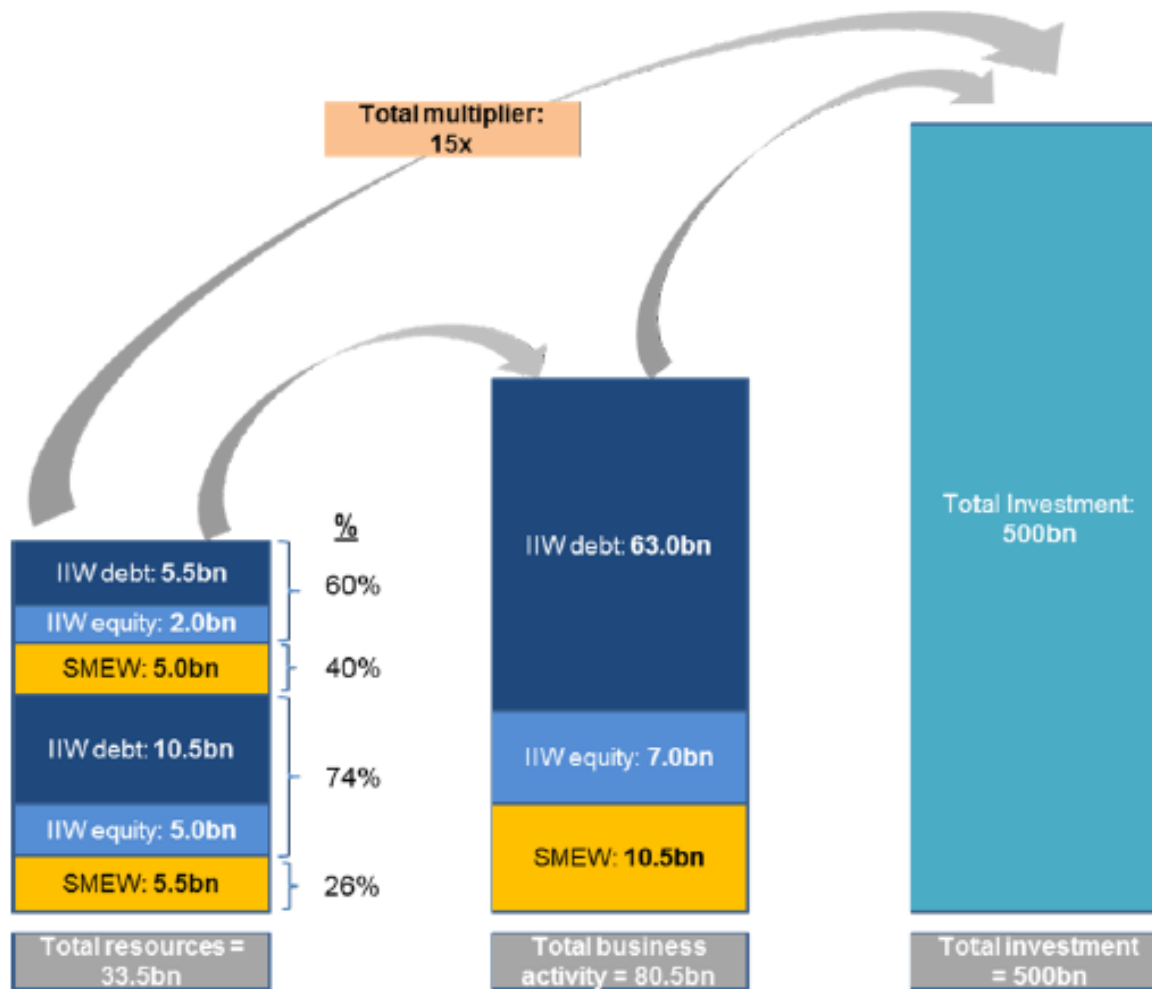
➤ **EUR 33.5 bn x 15 = EUR 502.5 bn (2015-2020)**

targeted multiplier (same as EFSI 1)



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EFSD: what next?



EFSI SME Window: Conclusion

- ❑ The SME Window in total should mobilise approx. **EUR 82,5 billion of investment**. Around **388,000 SMEs and small mid-caps** are expected to benefit from the support.

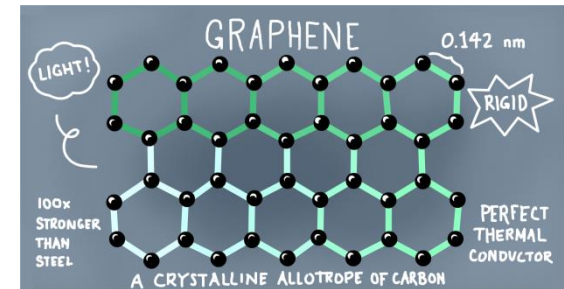
- ❑ The products are **complementary to existing EU financial instruments and also to the ECB monetary policy**. While the ECB provides liquidity, the SME window addresses the risk of SME financing and through some products also aims to provide capital relief.

- ❑ More information available at:
 - ❑ <http://www.access2finance.eu/>
 - ❑ http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm
 - ❑ EIF <http://www.eif.org> (for open calls)
 - ❑ #investEU
 - ❑ #EFSI

Success Stories

More than 1m SMEs supported

Some well known names:



Local success story:



Hundreds of "common" and yet extraordinary stories.