



# Investment support under the MFF post-2020 – InvestEU Programme

**The Vienna Initiative Working Group  
on IFI instruments**

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# Lessons learnt during current MFF

**1. EU investment support proved efficient and still needed:** (market failures and sub-optimal investment situations)

**2. Increased number of different financial instruments brings risks of:**

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

# The programmes replaced

## Equity Instruments

## Guarantee Instruments

## Risk Sharing Instruments





# InvestEU Fund: key Principles

- **Single Fund:** a single regulation and single agreements, but several implementing partners
- **Policy driven approach implemented through thematic Windows**
- **Budgetary Guarantee** (freezes less budgetary resources than traditional financial instruments)
- **Blending:** harmonised rules for combination of funds
- **Complementarity** between InvestEU and ESIF
- **Simplification** and **Flexibility**

# The objectives

## ➤ Overall objective

- Mobilise **public and private investment** within the EU for operations addressing market failures and investment gaps that hamper the achievement of EU goals regarding sustainability, competitiveness and inclusive growth

## ➤ Specific objectives

- **Crowd-in private capital**
- Provide **project development assistance to build more capacity for developing projects, platforms and programmes**
- **Specific objectives also** defined at the level of four investment windows

# Windows and budget allocation

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
<b>TOTAL</b> ( <i>EUR Million, in current prices</i> )	<b>38 000</b>	<b>650 000</b>

- The size of the EU guarantee proposed is EUR 38 bn and the **provisioning rate 40 %**, i.e. EUR 15.2 bn needed for the provisioning
- Budget for **InvestEU Advisory, InvestEU Portal** and accompanying measures is proposed to be EUR 525m.
- InvestEU is expected to mobilise **more than EUR 650 billion** of additional investment across Europe



# InvestEU implementing partners

InvestEU Fund provides an EU budget guarantee that will back the financial products provided by the implementing partners. These can be:

- EIB Group (privileged but not exclusive partner, around 75%)
- National Promotional Banks and Institutions
- Other IFIs (EBRD, COE Bank, World Bank Group)
- Other entities fulfilling the criteria laid down in the Financial Regulation in Art. 62.1

# A tale of two compartments

## EU compartment

- Fosters EU level action and tackles EU level market gaps
- Consists of four policy windows
- Budgetary guarantee size of EUR 38bn., provisioned at 40%
- Budget is not geographically ring-fenced

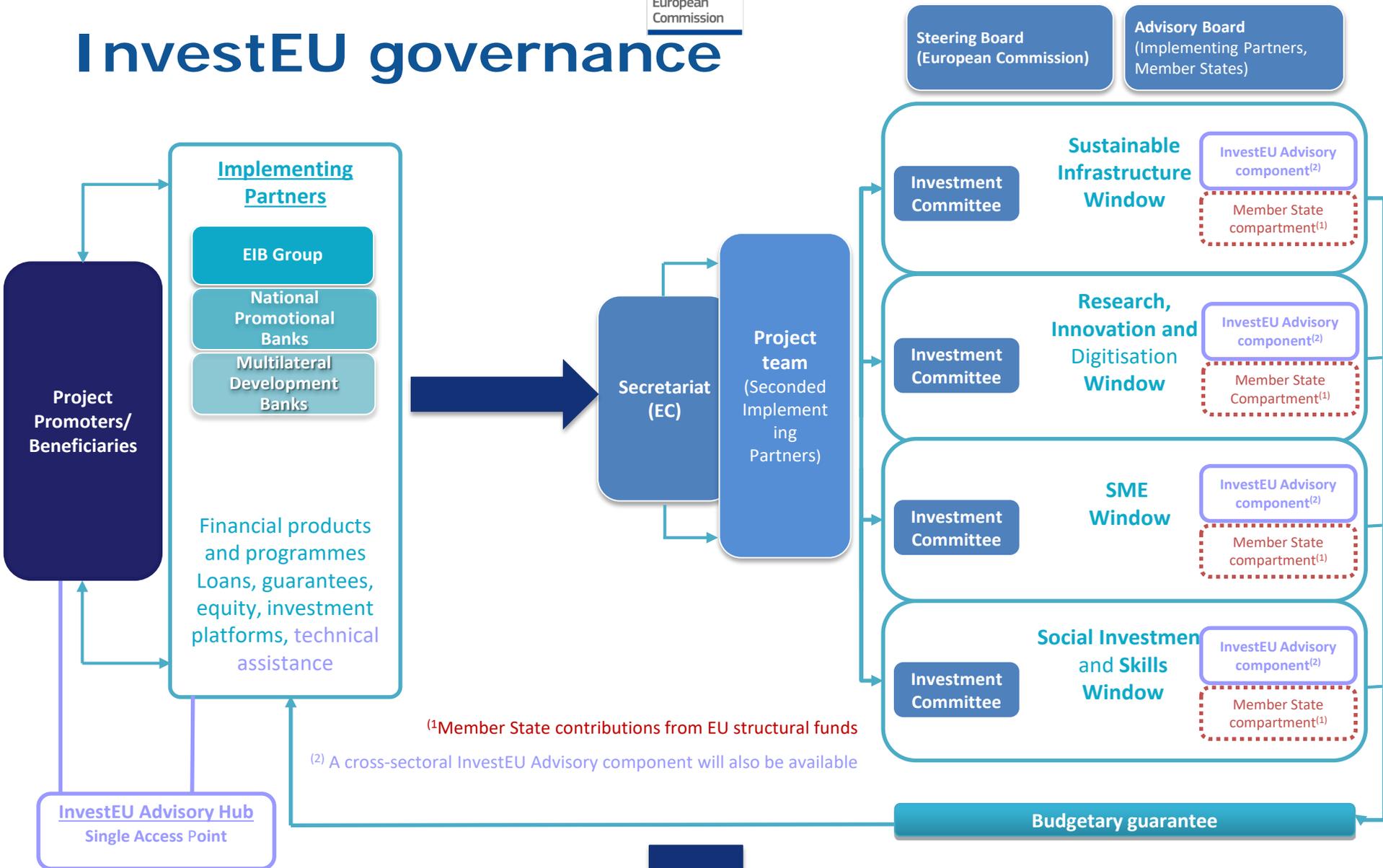
InvestEU  
Fund

## MS compartment

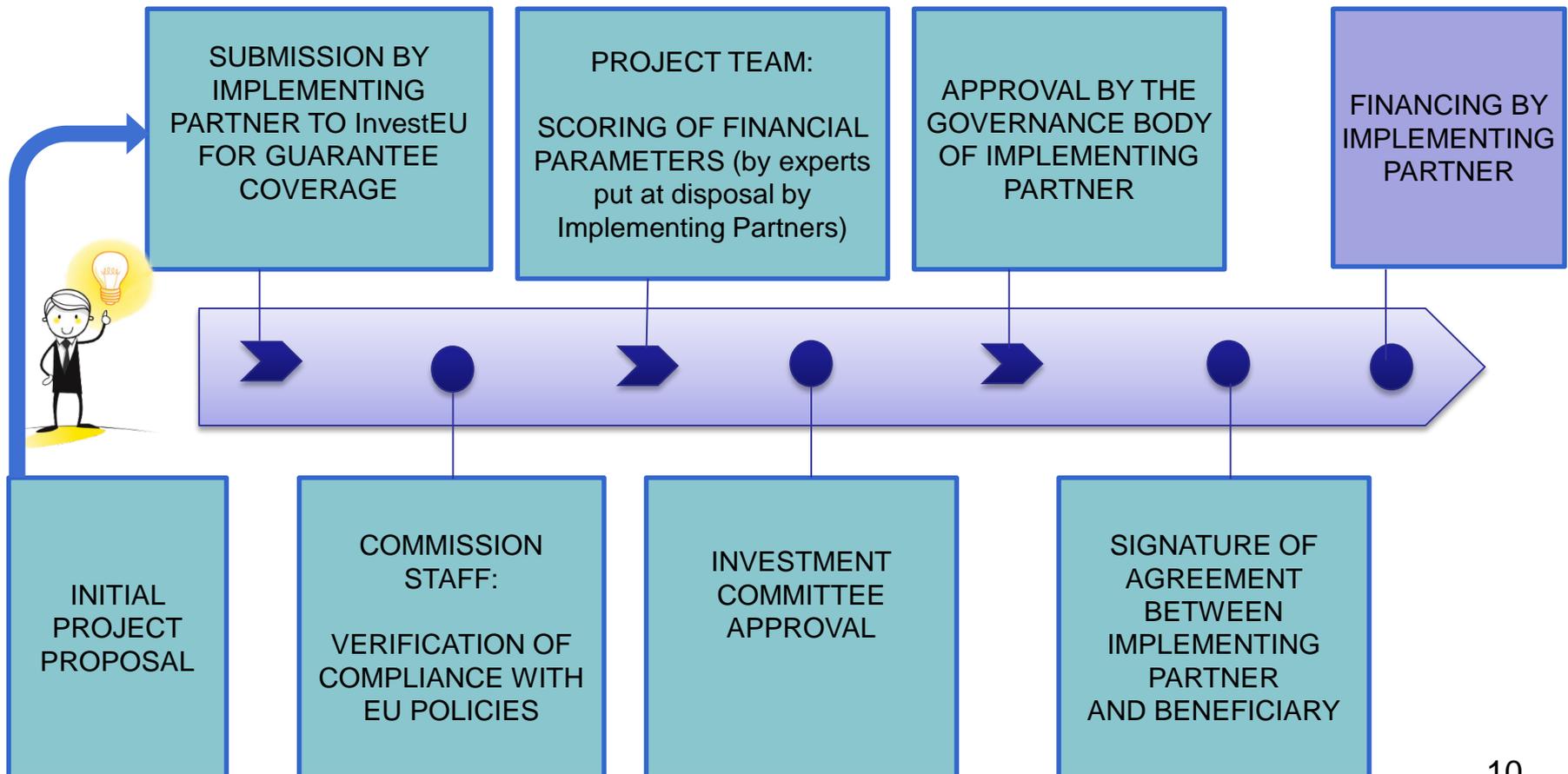
- Fosters MS level action and tackles local level market gaps
- On a voluntary basis by MS can allocate amounts to provision the MS compartment from ERDF, ESF+, EMFF or EAFRD
- Established at the level of each policy window; 1MS = 1sub-compartment
- Based on a specific contribution agreement defining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



# InvestEU governance



# How will it work: direct financing by Implementing Partner



# InvestEU Advisory

Provides advisory support for the identification, preparation, development, structuring, procuring and implementation of **investment projects**, or **enhance the capacity of promoters and financial intermediaries** to implement financing and investment operations, also by developing a **local presence**.



# 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 deemed  
consistent falling  
within their geographic  
and activity scope)