European Fund for Strategic Investments

The economic and financial crises have left its mark in the investment area, the reason for which the Juncker Commission has proposed in November 2014 the Investment Plan for Europe. This project aims to mobilize at least 315 billion Euros in private and public investments, for a period of three years.

The Investment Plan has the potential to add between 330 – 410 billion Euros to the European Union's GDP and create about 1.3 million jobs. The plan consists of three parts:

- Establishing a **European fund for strategic investments**
- Ensuring that funding reaches the real economy
- Improving the investment environment

European Fund for Strategic Investments (EFSI) – the core of the Investments Plan, aims to contribute to the use of public funding, including funding from the EU's budget in order to mobilize private investment. It is an initiative launched jointly by the European Investment Bank (EIB), the European Investment Fund and the European Commission. EFSI is a 16 billion Euros guarantee from the EU budget, complemented by a 5 billion Euros allocation of the EIB's own capital. The European Commission estimates that the fund – 21 billion Euros– will be able to reach an overall multiplier effect of 1:15, and thus **generate around 315 billion Euros in new investments**. EFSI support investments in strategic areas which have the capacity to deliver a positive impact on the European economy in the following key domains:

- Strategic infrastructure including digital, transport and energy;
- Education, research, development and innovation;
- Expansion of renewable energy and resource efficiency;
- Support for smaller businesses and midcap companies

Until May, 2016 there have been approved 64 infrastructure and innovation projects (9.3 billion Euros) and 185 agreements benefiting 141,800 start-ups, SMEs and mid-caps (a budget of 3.5 billion Euros). Thus, the total approved projects of 12.8 billion Euros are expected to generate total investment of about 100 billion Euros. States with the most infrastructure and innovation projects approved by EIB are: France (15), Italy (8), Great Britain (8), Spain (8), Germany (4), Belgium (3), while Poland and Greece - one project, and Romania none. These transportation projects have the potential to generate 60.000 jobs.

Regarding the approval of agreements which provide funding for SMEs and start-ups through the European Fund for Strategic Investments, the majority of the EU Member States have benefited at least from one agreement so far. Italy is leading with 28 approved agreements with intermediary banks for up to 353 billion Euros, and on the opposite side is Greece and Slovenia with only one agreement. Romania has two approved agreements with intermediary banks, for up to 5 million Euros, that will generate 70 million Euros in investment and will benefit 466 SMEs and start-ups.

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Due to the fact that no infrastructure and innovation projects proposed by Romania have been approved so far, we consider that the Romanian business environment should persevere in this regard in order to benefit from these funds for strategic investments, which have the potential to boost economic growth in Romania.

Project promoters or investors can submit their projects on the following website https://ec.europa.eu/eipp/desktop/en/index.html.

For further information about the Investment Plan for Europe, please visit the following links http://ec.europa.eu/priorities/jobs-growth-and-investment/investment-plan_en; http://www.eib.org/attachments/thematic/investment_plan_for_europe_en.pdf.

Results of the Investment Plan for Europe: http://ec.europa.eu/priorities/sites/beta-political/files/201606_eu_wide_en.pdf.

Examples of projects financed by the European Fund for Strategic Investments: http://ec.europa.eu/priorities/publications/examples-efsi-financed-projects-march-2016_en.

For further information about investment and financial opportunities, please visit the following link http://ec.europa.eu/economy_finance/financial_operations/index_en.htm.

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