

InvestEU: Council agrees its position on revised Commission proposal



Member states' EU ambassadors today agreed the Council's partial mandate for negotiations with the European Parliament on a revised Commission proposal for the InvestEU programme.

The aim of InvestEU is to encourage public and private investor participation in financing and investment operations by providing guarantees from the EU budget to address failures and sub-optimal investment situations. The Commission presented a revised proposal for this programme as part of the revised multiannual financial framework and recovery package in May 2020. A key element of the revised proposal was the introduction of a new fifth window for strategic European investments in addition to the previously proposed policy windows for sustainable infrastructure, research, innovation and digitisation, SMEs, and social investment and skills.

Following the European Council conclusions of 17-21 July, the Council integrated the proposed new strategic European investment window into the other four policy windows, which therefore may support final recipients whose activities are of strategic importance to the EU, in particular in view of the green and digital transitions, enhanced resilience and strengthening strategic value chains.

The Council also anchors the Just Transition Scheme under InvestEU, as the second pillar of the Just Transition Mechanism, in the InvestEU regulation. The scheme will be established horizontally across all policy windows to support investments which address social, economic or environmental challenges deriving from the transition process towards EU climate neutrality by 2050 and the achievement of the EU's 2030 climate target, benefitting the territories most negatively affected.

On the basis of the guidance received from the European Council in July, the Council indicates that the EU guarantee for the InvestEU programme will amount to €23.5 billion, to be provisioned at the rate of 40%. The EU guarantee is distributed across the four policy windows as follows:

- 35% for the sustainable infrastructure window
- 27.5 % for the research, innovation and digitisation window
- 27.5% for the SME window
- 10% for the social investment and skills window

On other parts of the InvestEU proposal, including governance, the Council's position reflects the common understanding reached with the European Parliament in April 2019.

Next steps

Negotiations with the European Parliament are expected to start as soon as the Parliament has agreed on its mandate.