

# Juncker Plan has made major impact on EU jobs and growth

The Investment Plan for Europe, the Juncker Plan, has played a key role in boosting jobs and growth in the EU. Investments by the European Investment Bank (EIB) Group backed by the Juncker Plan's European Fund for Strategic Investments (EFSI) have increased EU gross domestic product (GDP) by 0.9% and added 1.1 million jobs compared to the baseline scenario. By 2022, the Juncker Plan will have increased EU GDP by 1.8% and added 1.7 million jobs. These are the latest calculations by the Joint Research Centre (JRC) and the Economics Department of the EIB Group, based on financing agreements approved until the end of June 2019.

Jean-Claude **Juncker**, President of the European Commission, said: *"We have achieved what we set out to do: return Europe to solid growth and boost job creation. By 2022, the Juncker Plan will have added 1.7 million jobs to the EU labour market and increased EU GDP by 1.8%. I always said that the Plan was not a cure-all. But with more than one million small-sized companies receiving financing that wasn't available to them before, we can be proud."*

Jyrki **Katainen**, Commission Vice-President, responsible for Jobs, Growth, Investment and Competitiveness, said: *"We have come a long way since the first projects in 2015! Today the European economy is back on track and the Investment Plan will have a lasting impact. The projects financed so far benefit more than one million small businesses and help us transition to a low-carbon, circular and sustainable economy. I am proud to say that we delivered on our number one priority to mobilise private money for the public good."*

Werner **Hoyer**, European Investment Bank Group President, said: *"When we first discussed this initiative five years ago, many people were skeptical. It is hard to believe that any financial instrument can create jobs in the millions or support one million companies. Yet, recent calculations show that we were right to pursue our ideas. The Juncker Plan has had a sizable impact on economies and lives across Europe: it has supported environment- and climate-friendly projects, innovation and a fairer society, and it will continue to do so even when Jean-Claude and I are long-retired."*

## **Long term effect**

In addition to the direct impact the Juncker Plan has had on jobs and GDP growth, the Plan will also have a long term macroeconomic impact on the EU. Looking ahead to 2037, Juncker Plan operations will still have created 1 million jobs and have increased EU GDP by 1.2%. Improved connectivity and increased productivity resulting from Juncker Plan supported projects are helping to boost European competitiveness and growth in the longer-term.

## **Boosting investment and supporting SMEs**

As of October 2019, the Juncker Plan is set to mobilise €439.4 billion in additional investment across the EU. More than one million start-ups and small businesses are now expected to benefit from improved access to finance.

Some 70% of the expected mobilised investment comes from private resources, meaning that the Juncker Plan has also met its objective of mobilising private investment.

### **Who has received financing?**

Thanks to the Juncker Plan, the EIB and its subsidiary for financing small businesses, the European Investment Fund (EIF), have approved financing for close to 1200 operations and are on track to provide risk financing for more than one million start-ups and SMEs across a wide range of sectors and in all 28 EU countries.

As of October 2019, the top countries ranked by EFSI-triggered investment relative to GDP are Greece, Estonia, Portugal, Bulgaria and Poland. Examples of Juncker Plan projects range from pan-European high-speed charging infrastructure for electric vehicles to a food waste management company in Romania to reintegrating former military personnel into the workplace in the Netherlands. [Factsheets](#) by country and by sector provide a more detailed overview and further project examples.

### **How has the Juncker Plan benefited citizens and businesses?**

In addition to financing innovative projects and new technologies, the Juncker Plan has supported other EU objectives, such as climate, social and transport policy. Thanks to the Juncker Plan:

- More than 10 million households have access to renewable energy
- 20 million Europeans are benefitting from improved healthcare services
- 182 million passengers per year are enjoying better rail and urban infrastructure

For a complete overview of the benefits, see the European Investment Bank's [2018 annual report on its operations inside the EU](#).

### **Impact on climate action**

The Juncker Plan's European Fund for Strategic Investments supports groundbreaking ideas to protect the planet. Projects financed by the EIB Group under the Juncker Plan are set to trigger [€90.7 billion in investment](#) for climate action. These include zero-energy buildings, wind farms, solar energy projects, water-saving showers, eco-friendly buses and LED lighting.

### **Tailor-made advisory services and online meeting place**

Another important goal of the Juncker Plan is to help projects get off the ground. The [European Investment Advisory Hub](#), provides technical assistance and advice for fledgling projects. Since its launch in 2015, the Hub has handled more than 1,400 requests from project promoters in all EU countries, of which more than 400 are benefitting from tailored advisory support. More

than 50 of these have already fed into the EIB lending pipeline. One was the upgrade of [the street lighting system of Vilnius](#) to make it more energy efficient. The project, which also received a €21.6 million EFSI-backed loan, will help reduce electricity consumption and costs by an estimated 51%, saving around €1 million per year. The energy saving is equivalent to the average energy consumption of almost 3,100 households.

In addition, as of September 2019, 890 projects have been published on the [European Investment Project Portal](#) – an online meeting place for project promoters and investors. These cover all major sectors of the EU economy, with total investment proposed amounting to €65 billion. More than 60 projects have received financing since being published on the Portal. The Portal also offers additional services, such as the organisation of matchmaking events.

## **Background information**

The [Investment Plan for Europe](#), the Juncker Plan, was launched in November 2014 to reverse the downward trend of low-levels of investment and put Europe on the path to economic recovery. Its three objectives were to remove obstacles to investment; to provide visibility and technical assistance to investment projects; and to make smarter use of financial resources. The European Fund for Strategic Investments is an EU budget guarantee that allows the EIB Group to finance more, and often riskier, projects.

Often, financing goes towards highly innovative projects, or start-ups without a credit history. Projects also pool smaller infrastructure needs by sector and geography. The Juncker Plan allows the EIB Group to finance a greater number of operations with a higher risk-profile than would have been possible without the EU budget guarantee's backing, as well as to reach out to new clients: three out of four receiving Juncker Plan backing are new to the bank.

On 18 April 2019, the European Parliament gave its green light to the successor to the Juncker Plan for the next Multiannual Financial Framework: the [InvestEU Programme](#).

The macroeconomic impact assessment is a joint work between the EIB Economics department and the Commission's Joint Research Centre (JRC). It is based on a well-established, published, and peer-reviewed methodology developed by the JRC. The modelling details are available in the [June 2018 impact report](#).

For more information

[The Juncker Plan's impact on jobs and growth: factsheet](#)

[EIB/JRC 2019: Assessing the macroeconomic impact of the EIB Group](#)

[Juncker Plan factsheets by country and sector](#)

[EIB's complete EFSI project list](#)

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