

Weekly schedule of President Donald Tusk

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From promise to delivery: Commission welcomes final European Parliament votes under 2014-2019 mandate

EU Budget 2021-2027: Commission welcomes Parliament's green light on InvestEU

The European Commission welcomes today's vote in the European Parliament on InvestEU, the programme to boost investment in Europe in the next long-term EU budget. This vote brings InvestEU one step closer to its creation. President Jean-Claude **Juncker** said: *"The Investment Plan put Europe back in business and delivered on this Commission's number one priority: creating jobs and growth. But we can do more and that's what InvestEU is about. By making smart use of the EU's budget, InvestEU will help Europe stay an attractive place for investors worldwide. Over the next decade, the programme will unlock at least €650 billion for Europe to invest in its future, its economy and its people."* Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"The next generation of investment support in the EU is almost there. Soon, businesses and entrepreneurs will get easier access to EU funding to turn their ideas into concrete projects. It will help keep the EU at the forefront of innovation and climate action, while creating jobs and ensuring a growth model that is*

socially, environmentally and economically sustainable.” InvestEU will make EU funding for investment projects simpler to access and more effective. Building on the success of the [Juncker Plan](#), it will bring together under one roof and with a single brand the European Fund for Strategic Investments and 13 other EU financial instruments currently supporting investment in the EU. A [press release](#) and [a memo](#) are available online. (For more information: Annika Breidhardt – Tel.: +32 229 56153; Sophie Dupin de Saint-Cyr – Tel.: +32 229 56169)

European Defence Fund: Statement by Commissioner Bieńkowska on the European Parliament’s vote

The European Parliament endorsed today the provisional agreement reached by the co-legislators on the future European Defence Fund (EDF) for the next budget period from 2021 to 2027. The European Commission proposed the European Defence Fund in June 2018. Elżbieta **Bieńkowska**, Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs, said: *“I welcome today’s vote by the European Parliament. More defence cooperation in Europe is essential to address the growing global instabilities and cross-border threats to our security. It is clear that no country can do this alone. The endorsement of the European Defence Fund will allow us to significantly step up our defence cooperation and allow Europe to become a stronger security provider for our citizens.”* In June 2018 the Commission proposed a fully-fledged European Defence Fund worth €13 billion under the next EU long-term budget to cover defence research as well as the development of joint industrial projects in the field of defence. The budgetary aspects and some related horizontal provisions of the future EU space programme are subject to the overall agreement on the EU’s next long-term budget, [proposed by the Commission in May 2018](#). The full statement is available [here](#). (For more information: Lucía Caudet – Tel.: +32 229 56282; Mirna Talko – Tel.: +32 229 87278)

Capital Markets Union: European Parliament backs key measures to boost jobs and growth

The Commission welcomes the European Parliament’s final votes on legislation putting in place the building blocks of a Capital Markets Union (CMU). This adoption of a substantial number of proposals constitutes another step forward in the completion of the CMU, one of the **Juncker** Commission’s top political priorities. The Capital Markets Union project has been at the heart of this Commission’s ambition to boost growth in Europe, invest in innovation and promote the EU’s global competitiveness. With now 11 out of 13 proposals agreed, the CMU will become a true driver of investment in the Single Market, providing additional sources of financing to EU companies and opportunities for citizens to save for their future. The CMU channels investment to environmentally-friendly projects, thereby contributing to the EU’s sustainable and carbon-neutral agenda. A strong CMU is also necessary to complement the Banking Union in order to strengthen the Economic and Monetary

Union and the international role of the euro. Commission Vice-President Valdis **Dombrovskis**, responsible for Financial Stability, Financial Services and Capital Markets Union, said: *"The Capital Markets Union will enable companies to find more funding opportunities both domestically and across the Union and provide consumers with more choices to save for their future. Alternative market-based sources of financing are particularly important to finance innovation, entrepreneurship and start-ups, which are main engines of job creation. While the project will benefit all Member States, it will particularly strengthen the Economic and Monetary Union by promoting private risk-sharing"*. Jyrki **Katainen**, Commission Vice-President, responsible for Jobs, Growth, Investment and Competitiveness said: *"The Commission has delivered on its commitment to put in place the building blocks of a Capital Markets Union by 2019. The CMU contributes directly to the Juncker Commission's commitment to boost investment, jobs and growth by diversifying market-based finance for European companies. We have now laid the foundations for the CMU and efforts must continue into the next mandate so that businesses big and small, investors and savers can continue to reap the benefits"*. Overall, all the adopted proposals will contribute to expanding the CMU's objectives of innovative financing and creating more investment opportunities from the local to the European level. Each of them covers a specific scope of action. A full [press release](#) is available online. (For more information: Vanessa Mock – Tel.: +32 229 56194 ; Guillaume Mercier – Tel.: +32 229 80564)

Mobility Package: European Parliament endorses new rules to simplify maritime reporting and encourage the public procurement of clean vehicles

The European Parliament today voted in favour of two '[Europe on the Move](#)' – initiatives: on trade facilitation in maritime transport and clean vehicles in public procurement. The [proposal to establish a European Maritime Single Window environment](#) replaces the Reporting Formalities Directive. The new, fully harmonised reporting environment for ships will significantly reduce the administrative burden on the maritime sector, improving competitiveness. It will also make it easier for operators and authorities to work together, facilitating the exchange of data and avoiding duplications. The [proposal to reform the Clean Vehicles Directive](#) mobilises public procurement for the decarbonisation of our transport, giving a solid boost to the deployment of clean mobility solutions. The proposed Directive introduces a definition of clean vehicles and sets minimum targets for their public procurement in each Member State. The two texts will now need to be formally endorsed by the Council of the EU before they can enter into force. (For more information: Daniel Rosario – Tel.: +32 229 56185; Stephan Meder – Tel.: +32 229 13917)

Clean mobility: Commission welcomes European Parliament adoption of first-ever EU-wide CO₂ emission standards for new heavy-duty vehicles

The European Parliament today approved the first-ever EU-wide CO₂ emission standards for heavy-duty vehicles. The new rules set targets for reducing the

average emissions from new lorries for 2025 and 2030. The new CO₂ standards are part of the [clean mobility package](#). They contribute to the modernisation of Europe's transport sector and the transition towards a climate-neutral economy, in line with the EU's commitments under the Paris Agreement and the implementation of the [Energy Union](#). Commissioner for Climate Action and Energy Miguel **Arias Cañete** said: *"Today's vote is a key milestone: the heavy-duty transport sector can play an essential role in Europe's transition towards a climate-neutral economy. These first-ever EU-wide targets and incentives will help EU industry embrace innovation towards higher fuel efficiency and zero-emission vehicles and consolidate its current leadership position on innovative technologies, while bringing fuel cost savings to transport operators and cleaner air for all Europeans."* Following this approval by the European Parliament, the Council of Ministers will finalise the formal adoption. This endorsement will be followed by the publication of the text in the Official Journal of the Union, and the new legislation will enter into force 20 days after publication. Further information about [reducing CO₂ emissions from heavy-duty vehicles](#). (For more information: Anna-Kaisa Itkonen – Tel.: +32 229 56186; Lynn Rietdorf – Tel.: +32 229 74959)

European Commission welcomes European Parliament vote on new company law rules

The European Parliament approved today new EU company law rules for a modern and fairer internal market, proposed by the Commission in April 2018. They will make it easier for entrepreneurs to register their companies online and across borders, set up new branches or upload documents on the online business register. Going digital will make the process of setting up a business more efficient and cost effective. The new rules will also facilitate cross-border moves, mergers and divisions of companies, while insuring better protection of the rights of employees, minority shareholders and creditors involved in those companies. First Vice-President Frans **Timmermans** said: *"The new company law rules will give new opportunities to EU businesses to move and grow, in particular smaller companies. At the same time, the new rules will put in place strong safeguards to protect employees' rights and, for the first time, to prevent abusive operations. The EU has been grappling with this issue for years now, and it is a real shared achievement that after failed proposals in the past, we have been able to crack this and in record time"*. Věra **Jourová**, Commissioner for Justice, Consumers and Gender Equality added: *"By using digital tools, companies will save time and money when they launch a new business or branch and update information available on business registers. The new rules will facilitate cross-border operations for a fairer and deeper internal market by providing clear procedures for companies, which will cut costs and save time. They will also provide strong safeguards to protect the rights of employees, creditors and minority shareholders."* More information on the [Company Law Package and the related factsheet](#) are available online, as in previous statements on [digitalisation](#) and on [cross-border mobility](#). (For more information: Christian Spahr – Tel.: +32 229 50055; Melanie Voin – Tel.: +32 229 58659)

Capital Markets Union: European Parliament backs key measures to boost jobs and growth

This adoption of a substantial number of proposals constitutes another step forward in the completion of the CMU, one of the Juncker Commission's top political priorities.

The Capital Markets Union project has been at the heart of this Commission's ambition to boost growth in Europe, invest in innovation and promote the EU's global competitiveness. With now 11 out of 13 proposals agreed, the CMU will become a true driver of investment in the Single Market, providing additional sources of financing to EU companies and opportunities for citizens to save for their future. The CMU channels investment to environmentally-friendly projects, thereby contributing to the EU's sustainable and carbon-neutral agenda. A strong CMU is also necessary to complement the Banking Union in order to strengthen the Economic and Monetary Union and the international role of the euro.

Commission Vice-President **Valdis Dombrovskis**, responsible for Financial Stability, Financial Services and Capital Markets Union, said: *"The Capital Markets Union will enable companies to find more funding opportunities both domestically and across the Union and provide consumers with more choices to save for their future. Alternative market-based sources of financing are particularly important to finance innovation, entrepreneurship and start-ups, which are main engines of job creation. While the project will benefit all Member States, it will particularly strengthen the Economic and Monetary Union by promoting private risk-sharing."*

Jyrki **Katainen**, Vice-President responsible for Jobs, Growth, Investment and Competitiveness said: *"The Commission has delivered on its commitment to put in place the building blocks of a Capital Markets Union by 2019. The CMU contributes directly to the Juncker Commission's commitment to boost investment, jobs and growth by diversifying market-based finance for European companies. We have now laid the foundations for the CMU and efforts must continue into the next mandate so that businesses big and small, investors and savers can continue to reap the benefits."*

Overall, all the adopted proposals will contribute to expanding the CMU's objectives of innovative financing and creating more investment opportunities from the local to the European level. Each of them covers a specific scope of action:

Collective Investment Funds: By removing regulatory barriers for investment funds and diverging national rules, this proposal will increase competition and facilitate intra-EU distribution of investment funds, will giving

investors more choice, better value and greater protection.

[European Supervisory Authorities \(ESAs\) review](#): This review will make the European system of financial supervision more effective and efficient. Among many objectives, the reform will also guarantee that supervision of money laundering risks in the financial sector is pro-active and fast. It will ensure that rules are evenly enforced throughout the EU and give the European Banking Authority (EBA) a coordination role in the areas of anti-money laundering and terrorist financing.

[Investment firms review](#): This revised legislation will ensure more proportionate rules and better supervision for all investment firms on capital, liquidity and other risk management requirements, while ensuring a level-playing field between large and systemic financial institutions. It will also strengthen and clarify equivalence rules for the provision of investment services by third country firms.

[Covered bonds](#): This legislation will foster the development of financial instruments issued by banks to fund the economy across the EU, thanks to a harmonised EU framework.

[Small and medium-sized enterprises \(SMEs\) growth markets](#): The rules adopted will make it cheaper and simpler for SMEs to access public markets including through a category of trading venues dedicated to small issuers.

[Disclosure requirements on sustainable investments](#): As part of the [Action Plan on Sustainable Finance](#), these rules will strengthen and improve the disclosure of “green” information by manufacturers of financial products and financial advisors towards end-investors.

European market infrastructure regulation ([EMIR](#)) 2.2: This legislation will ensure a more robust and effective supervision of central counterparties (CCPs) offering services to the EU. Ultimately, this will contribute to preserving financial stability in the EU.

[EMIR REFIT](#): This reform will provide simpler and more proportionate rules for over-the-counter derivatives, helping to reduce costs and regulatory burdens for market participants without compromising financial stability.

[European Defence Fund: Statement by Commissioner Bieńkowska on the European Parliament's vote](#)

The European Parliament endorsed today the provisional agreement reached by the co-legislators on the future European Defence Fund (EDF) for the next

budget period from 2021 to 2027. The European Commission proposed the European Defence Fund in June 2018. Elżbieta **Bieńkowska**, Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs, said:

“I welcome today’s vote by the European Parliament. More defence cooperation in Europe is essential to address the growing global instabilities and cross-border threats to our security. It is clear that no country can do this alone. The endorsement of the European Defence Fund will allow us to significantly step up our defence cooperation and allow Europe to become a stronger security provider for our citizens.”

The European Defence Fund marks a big step forward in European defence matters. It will strengthen European cooperation by encouraging joint investments and technological innovation in the defence sector. This will help to spend taxpayer money more efficiently and ensure Europe can benefit from the best interoperable defence technology and equipment. By promoting a strong and innovative defence industry, the Fund will strengthen EU’s strategic autonomy and technological leadership in defence.

The Fund will build on defence priorities agreed by Member States within the framework of the Common Foreign and Security Policy and ensure synergies with the Permanent European Structured Cooperation.

With today’s vote, a fully-fledged European Defence Fund is now on track to become a reality. I want to thank the European Parliament as well as all other EU institutions on taking fast and decisive action on this key political priority.”

Background

In his political guidelines in June 2014, President Juncker made strengthening European citizens’ security a priority. He announced the creation of a European Defence Fund in his 2016 State of the Union address. Since then, the Commission with support of the Member States is already paving the way under the current EU budget period. For the first time in European history, the EU is incentivising European defence cooperation with a budget envelope of €590 million until 2020. The Commission presented a first set of actions in June 2017 to allow defence cooperation at EU level to be tested by means of the Preparatory Actions on Defence Research for 2017-2019 and the European Defence Industrial Development Programme for 2019-2020, with the latest actions published in [March 2019](#).

In June 2018 the Commission proposed a fully-fledged European Defence Fund worth €13 billion under the next EU long-term budget to cover defence research as well as the development of joint industrial projects in the field of defence. The budgetary aspects and some related horizontal provisions of the future EU space programme are subject to the overall agreement on the EU’s next long-term budget, [proposed by the Commission in May 2018](#).

For More Information

- [Press release](#) on the provisional Agreement on European Defence Fund (February 2019)
 - [Press release](#) and [Factsheet](#) on the Commission's proposal for a the European Defence Fund (June 2018)
 - [Press release](#) on latest actions to support defence research and industrial development under current budget (March 2019)
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[The InvestEU Programme: Questions and Answers](#)

The budgetary aspects of InvestEU are subject to the overall agreement on the EU's next long-term budget, [proposed by the Commission in May 2018](#).

What is InvestEU?

The InvestEU Programme will bring together under one roof the multitude of EU financial instruments currently available to support investment in the EU, making funding for investment projects in Europe simpler, more efficient and more flexible.

The InvestEU Programme consists of the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. It will further boost job creation and support investment and innovation in the EU.

InvestEU will run between 2021 and 2027 and it builds on the success of the Juncker Plan's European Fund for Strategic Investments (EFSI) by providing an EU budget guarantee to support investment and access to finance in the EU. InvestEU aims to trigger at least €650 billion in additional investment.

The InvestEU Fund will support four policy areas: sustainable infrastructure; research, innovation and digitisation; small and medium-sized businesses; and social investment and skills. InvestEU will also be flexible: it will have the ability to react to market changes and policy priorities that change over time.

The InvestEU Advisory Hub will provide technical support and assistance to help with the preparation, development, structuring and implementation of projects, including capacity building.

The InvestEU Portal will bring together investors and project promoters by providing an easily-accessible and user-friendly database.

[See our factsheet: What is the InvestEU Programme?](#)

Why do we need InvestEU?

The investment conditions in Europe have improved since the Investment Plan for Europe, the Juncker Plan, was launched, thanks to structural reforms carried out by the Member States, a more favourable economic situation and interventions such as EFSI. To help investment recover further, InvestEU will continue the work of the Juncker Plan to mobilise public and private resources in the EU. It will help to address market failures and investment gaps to foster jobs and growth and to reach EU policy goals such as sustainability, scientific excellence and social inclusion.

How will the InvestEU Fund work?

The InvestEU Fund will mobilise public and private investment through an EU budget guarantee of €38 billion that will back the investment projects of the European Investment Bank (EIB) Group and other financial partners, and increase their risk-bearing capacity. The financial partners are expected to contribute at least €9.5 billion in risk-bearing capacity. The guarantee will be provisioned at 40%, meaning that €15.2 billion of the EU budget is set aside in case calls are made on the guarantee.

The InvestEU Fund will be implemented through financial partners who will invest in projects using the EU guarantee. The main partner will be the EIB Group, which has successfully implemented and managed EFSI since its launch in 2015. In addition to the EIB Group, International Financial Institutions active in Europe – such as the European Bank for Reconstruction and Developments (EBRD), the World Bank and the Council of Europe Development Bank – and National Promotional Banks will have direct access to the EU guarantee.

The InvestEU Fund will also feature a Member State compartment for each policy area, meaning that Member States may add to the EU guarantee's provisioning by voluntarily channelling some of their Cohesion Policy funds to these compartments. Like this, Member States will benefit from the EU guarantee and its high credit rating, giving national and regional investments more firepower.

What's the advantage compared to the status quo, especially for the final beneficiaries?

Creating one coherent programme benefits from economies of scale. It achieves greater risk diversification, has a more integrated governance structure, and mainstreams cross-sectorial policies, bringing a multitude of instruments under one single structure. Using a budget guarantee – and not only financial instruments or grants – can help increase the impact of public funds. In this way we can do more with less.

The new approach also helps to reduce uncertainty for final beneficiaries and financial intermediaries about which instrument is the best for them.

Under the InvestEU Fund, there will be a single programme with a strong

identity and a single set of coherent requirements (for eligibility, monitoring and reporting), which will apply throughout the financing chain to the benefit of financial intermediaries and final beneficiaries. InvestEU will eliminate overlaps and ensure synergies both for financing and advisory services. The InvestEU Advisory Hub will integrate 13 different advisory services into a one-stop-shop.

Also, when blending grants from other programmes like Horizon Europe, the Single Market Programme or the Connecting Europe Facility with support from InvestEU, InvestEU rules will apply for the entire project. This is a major simplification compared to today.

What will InvestEU finance?

The InvestEU Fund will be market-based and demand-driven. By crowding-in private investors, it will help achieve the EU's ambitious goals in sustainability, scientific excellence and social inclusion. Investments will come under four policy areas, which represent important policy priorities for the Union and bring high EU added value:

- sustainable infrastructure;
- research, innovation and digitisation;
- small and medium-sized enterprises (SMEs) and small mid-caps;
- social investment and skills.

The budget guarantee is divided between the policy areas as follows:

Sustainable infrastructure:	€11.5 billion
Research, innovation and digitisation:	€11.25 billion
SMEs:	€11.25 billion
Social investment and skills:	€4 billion

The Commission can adjust these amounts by up to 15% in each policy window to adapt to evolving policy priorities and market demand.

[See our factsheet InvestEU: what will it finance?](#)

Who will manage InvestEU?

As in the case of EFSI, a **Steering Board** will give strategic direction on programme implementation. It will be composed of the Commission (four members), the EIB Group (three members) and other implementing partners (two members – International Financial Institutions such as the European Bank for Reconstruction and Development or National Promotional Banks), as well as a non-voting expert appointed by the European Parliament. The Steering Board will strive to take its decisions by consensus.

An **Advisory Board** will assist the Steering Board. It is composed of representatives of implementing partners (one member each) and Member States (one member each). The agreement between the European Parliament and the

Council extends membership to the Committee of the Regions and the Economic and Social Committee (one member each). The Commission will be able to consult this board when preparing and designing new financial products or to follow market developments and share information. This Advisory Board will be able to issue recommendations to the Steering Board on the implementation and functioning of the InvestEU programme.

An **Investment Committee** will approve the individual guarantee requests. This Committee is composed of external experts selected in an open process, and remunerated by the EU budget. The Investment Committee will be assisted by a secretariat, which will be staffed by and located in the Commission. The secretariat will provide administrative support for the organisation of meetings, agendas, minutes and interact with the implementing partners as appropriate to ensure the files transmitted to the Investment Committee are complete.

The **EIB as the strategic partner** may send its guarantee requests directly to the Investment Committee. This will be subject to notification to the secretariat, based in the Commission, which will assume all horizontal tasks and handle the guarantee requests of all other implementing partners.

Who will choose the InvestEU projects?

Just as is the case under EFSI, the Investment Committee will select projects based on compliance with the eligibility criteria set by the Regulation as well as the Investment Guidelines, with a specific focus on additionality.

Members of the Investment Committee will be external experts with expertise from the relevant sectors. The Committee will meet in four different configurations corresponding to the policy windows.

The Committee's decisions will be made independently, with no political interference.

In practice, Commission services will first verify the consistency of the proposed operations with EU law and policies. Projects passing this initial check will be passed on to the Investment Committee.

The Investment Committee will approve the use of the EU guarantee for financing and investment operations, taking its decision after assessing the project scoreboard presented by the implementing partners. Just as under EFSI, all decisions approving the use of the EU guarantee will be publicly available.

What will be the InvestEU eligibility criteria?

InvestEU projects must:

- address market failures or investment gaps and be economically-viable
- need EU backing in order to get off the ground
- achieve a multiplier effect and where possible crowd-in private investment
- help meet EU policy objectives.

The eligibility criteria are defined in the Financial Regulation.

Why does EFSI cease to exist? Why not just create an EFSI 3.0?

EFSI was launched in July 2015 to boost investment and stimulate economic growth and employment in the EU, at a time when Europe was still recovering from the financial and economic crisis. It was originally foreseen to have a short investment period to maximise the impact, until July 2018. Due to its success, EFSI was expanded in size and extended in duration in December 2017. Its investment period now lasts until end-2020, the end of the current long-term budget, or Multiannual Financial Framework (MFF). No new investments can be undertaken under EFSI after 2020 but – as with most EU financial instruments – the liabilities run for much longer.

The InvestEU Programme builds on the success of EFSI, and will continue to create and support jobs across the EU by following the same model based on an EU budget guarantee.

Is InvestEU taking budget from other financing programmes? What will happen to programmes like COSME and InnovFin?

The InvestEU Fund will bring under one roof the 14 EU financial instruments currently supporting investment in the EU, giving it a single, strong brand. The InvestEU Fund will capture the objectives of existing instruments such as COSME and InnovFin and be able to boost investments even further thanks to the larger scale and efficiencies of the single InvestEU Fund. The four InvestEU Fund policy areas place emphasis on areas of strategic importance for the EU, with €11.25 billion each of the guarantee earmarked for small businesses and a further €11.25 billion earmarked for research, innovation and digitisation.

Can InvestEU financing be blended with EU grants?

Yes. Blending can be necessary in some situations to underpin investments in order to address particular market failures or investment gaps. The InvestEU Fund can be combined with grants or financial instruments, or both, funded by the centrally managed Union budget or by the EU Emissions Trading System (ETS) Innovation Fund. Such combinations can create advantages for project promoters in sectors such as transport, research and digital. When a project uses EU grants and InvestEU, the InvestEU rules will apply for the entire project. This means a single rulebook and a major simplification compared to today.

What will be the risk profile of investments? What type of investments will the InvestEU Fund be targeting compared to today's financial instruments?

The InvestEU Fund will target economically viable projects in areas where there are market failures or investment gaps. The InvestEU Fund instruments will seek to attract commercial financing to a wide range of operations and beneficiaries and will only support projects where financing could not be obtained at all or not at the required terms without InvestEU Fund support. It will also target higher risk projects in specific areas.

In addition, InvestEU places more emphasis on social investment and skills. The allocation for budgetary guarantees and financial instruments in the social sector under the current long-term EU budget amounts to €2.2 billion whereas InvestEU allocates €4 billion of the EU guarantee to this policy area, almost doubling what is currently available.

What is the expected multiplier effect for InvestEU? How do you expect to reach €650 billion?

Due to InvestEU targeting higher risk innovation projects and SMEs, as well as the greater focus on EU policy objectives, we expect a slightly more conservative multiplier effect than under EFSI: 13.7 rather than 15. That is to say that for every public euro that is mobilised through the Fund, €13.7 of total investment, that would not have happened otherwise, is generated.

The €15.2 billion budget earmarked for InvestEU allows the EU budget to provide a guarantee of €38 billion. In addition, each financial partner will be expected to contribute some resources to ensure alignment of interest, adding an estimated total of €9.5 billion, so the total guarantee will be around €47.5 billion. This in turn will be leveraged by each financial partner. This means they can lend more than the guarantee amount. Finally, each InvestEU-backed project will attract other private and public investors, as we have seen under the Juncker Plan, and we expect this will trigger at least €650 billion in total investment.

Why is the InvestEU Fund open to other financial partners? Why not work exclusively with the EIB Group, like with EFSI?

Given its role as the EU's public bank, its capacity to operate in all Member States, and its experience in managing EFSI, the European Investment Bank (EIB) Group will remain the Commission's main financial partner under InvestEU and implement 75% of the €38 billion guarantee. It will also play an important role in the programme governance and implementation. For the remaining 25%, International Financial Institutions and National Promotional Banks, which can offer specific expertise and experience, can become financial partners, subject to conditions.

Opening up the possibility to benefit from the EU guarantee to other institutions is driven by the fact that there are other experienced potential financial partners in the EU, which have specific financial or sectorial expertise, deep knowledge of their local market or greater capacity to share risk with the EU in some areas. This approach will enlarge and diversify the pipeline of projects and increase the potential pool of final beneficiaries.

The Commission wants to ensure that the beneficiaries of InvestEU can get the best possible support and with easiest access. The InvestEU Fund will therefore be open to other institutions, either multilateral or national institutions.

How does an entity become an implementing partner under InvestEU?

The European Investment Bank Group – the EU Bank – will be an implementing

partner for 75% of the EU guarantee. For the remaining 25% of the EU guarantee, International Financial Institutions (the European Bank for Reconstruction and Development, the Council of Europe Bank, etc.) or National Promotional Banks and Institutions wishing to become an implementing partner must first undergo a so-called Pillar Assessment. This means that, as a prerequisite, they must meet requirements in areas relating to the internal control system, the accounting system, an independent external audit and rules and procedures for providing financing from EU funds through grants, procurement and financial instruments.

The process to become an implementing partner consists of three main steps. First, the interested entity needs to submit an application to the Commission. Second, Commission services carry out an eligibility check. If the result is positive, the Pillar Assessment can take place. It is usually carried out by external consultants contracted by the interested entity and lasts between six and 18 months. Third, the Commission issues a call for expression of interest and any entity in the process of passing the Pillar Assessment can apply to become an implementing partner. The Commission will discuss the financial products and negotiate a guarantee agreement with institutions that have answered the call. The Pillar Assessment needs to be completed on the day of the signature of the guarantee agreement.

How does a company apply for InvestEU financing?

Project promoters should apply directly to the EIB, to national and regional promotional banks, or to the national offices of International Financial Institutions such as the EBRD, the World Bank, or the Council of Europe Development Bank. At that stage, the financial partners submit a proposal to the Commission to apply for the EU guarantee. SMEs should continue to apply to their local commercial or public banks whose financial products are covered by the EU guarantee in their country or region. The local intermediary will inform them if a particular financing programme is covered by the InvestEU Fund.

How will the InvestEU Programme ensure geographical balance?

The InvestEU Programme was designed to ensure it benefits all Member States, irrespective of their size or the development of their financial market. The access through other financial partners – compared to EFSI – should allow the Fund to better serve local needs and to be complementary to other sources of EU funding under shared management. Technical assistance under the InvestEU Advisory Hub will address the specificities of cohesion countries markets and contribute to build up a project pipeline.

The opening of the guarantee to national and regional promotional banks aims to better address where the financing needs are and how best to serve them. Finally, the InvestEU Advisory Hub will provide comprehensive project development assistance. It will provide capacity building support to develop organisational capacity and facilitate market-making activities and the collaboration of sectoral actors. The aim is to create the conditions to expand the potential number of eligible recipients in nascent market segments, in particular where the small size of individual projects raises

considerably the transaction cost at the project level.

What about State aid control?

State aid rules are essential to ensure effective competition, so that consumers and businesses get fair prices and wider choice in the Single Market. At the same time, in order to match our InvestEU objectives to address market failures and mobilise private investment, it has to be easy to link up Member State money – which may entail State aid and be subject to State aid rules – with EU funds managed centrally by the Commission, which do not constitute State aid.

To further streamline the State aid approval process for such joint funding, in June 2018 the Commission proposed an amendment to one of the Council Regulations governing EU State aid control. The Council adopted this amendment in November 2018. This revised Enabling Regulation allows the Commission, subject to certain conditions, to exempt Member State funding channelled through the InvestEU Fund or supported by the InvestEU Fund from the requirement to notify such interventions to the Commission prior to their implementation.

The funding from Member States would be declared compatible with EU State aid rules, as long as certain clear conditions are fulfilled. The Commission proposal thus ensures that State aid rules can help facilitate a seamless deployment of the InvestEU fund. This continues the spirit of the Juncker Commission, which has already made sure that 97% of State aid can be implemented without any involvement of the Commission.

Who will be accountable for the investments made?

The financial partners in InvestEU will be responsible for the financing and investment operations under the InvestEU Fund since their governing bodies take the final decision on the financing.

The Investment Committee, composed of independent external experts, will approve the use of the EU guarantee under the InvestEU Fund to support those operations ahead of the final decision by the financial partner.

What role will the European Parliament and Council play?

The European Parliament and the Council will oversee the implementation of the InvestEU Fund through annual reporting to the budgetary authority and through the discharge procedure.

They will also be present in the governance bodies of the programme – Member States in the Advisory Board, and a non-voting expert appointed by the European Parliament in the Steering Board.

The implementation of the InvestEU Programme will be evaluated through an interim and a retrospective evaluation. The conclusions of the evaluations will be communicated to the European Parliament and Council so that they can feed into the decision-making process in a timely manner.

For more information

Press release (18 April 2019): [EU Budget for 2021-2027: Commission welcomes Parliament's vote on InvestEU](#)

[InvestEU policy package](#)

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