Investment Plan for Europe

Mobilising funds for a more digitally-connected Europe **#investEU**

The Digital Single Market is one of the top European Commission priorities. A solid investment in telecommunication infrastructure will bring down barriers to unlock online opportunities. Internet Economy accounts to 5 % of the European Union's GDP and employs approximately 4 % of EU citizens, 2.8 % of whom are employed in the ICT industry. Completing a Digital Single Market could contribute EUR 415 billion per year to Europe's economy, creating jobs and transforming our public services.

The European Fund for Strategic Investments (EFSI) is an ideal tool for investment in long time-frame fields (as in the telecommunication networks) or of relatively risky nature (common to emerging, state-of-the-art technologies). Investments in broadband and 5G infrastructure, cybersecurity, digitalisation of the traditional economy, microelectronics, High Performance Computing and cloud facilities could be an attractive proposal for investors, which seek innovative areas to create value.

Why is it important

What Silicon Valley and the so-called "unicorns and dragons" tech companies teach us is that the digital industry still has untapped potential for growth in Europe. Moreover there is also a full range of more traditional companies, which might substantially improve their competitiveness and efficiency through the digitalisation of their production, management and commercial processes. In order to reap benefits from the digital revolution, Europe needs state-of-the-art digital infrastructures, starting with high-speed fix and mobile networks throughout the EU.

The management of the networks themselves is fast evolving, through Software-Defined Networking and Network Function Virtualisation connecting efficient data centres and enabling cloudification of services. Additionally, there is an emerging range of applications stemming from the Internet of Things, which will multiply the number of connected devices.

The concept of Connected Car, Augmented and Virtual Reality as well as the Deep Learning algorithms – which could harness the vast amount of Big Data collected and stored in data centres – will definitely be translated into practical applications and monetised for the benefit of those who come in first.

The European Fund for Strategic Investments was created to stimulate investment in Europe and increase its innovativeness. The digital industry could be the core of the process if the funds and investment are used in appropriate manner.

Opportunities and benefits

Digital stakeholders, both from the public and the private sector, can benefit from the opportunities offered under the Investment Plan by getting **financing** from the European Fund for Strategic Investments (EFSI), **registering a project** to reach potential investors worldwide through the European Investment Project Portal (EIPP), and making use of the **advisory services** of the European Investment Advisory Hub (EIAH).

How to access finance

Infrastructure and Innovation projects shall consult the **dedicated Window** deployed through the EIB. Small and medium enterprises shall consult the **SME Window** implemented through the European Investment Fund (EIF).

Examples of projects and activities supported

Around 13 % of the total EFSI financing committed so far has been dedicated to digital infrastructure projects.

Network development projects approved to receive EFSI financing include:

- **Alsace Très Haut Debit** – building approximately 380,000 FTTH accesses (France);

- **Telecom Italia** – building 7 million accesses for total of more than EUR 1.8 billion (Italy).

On top of that, in the digital innovation area, a EUR 100 million R&D EFSI loan was granted to Heidelberg group for the digitalisation of its traditional printing activities in Germany.

Complementary sources of funding

Complementary to the European Fund for Strategic Investments, the EU has other funding and financing channels for digital investments: **European Structural and Investment Funds (ESIF)**: over EUR 21 billion on ICT-related projects until 2020; **Connecting Europe Facility (CEF)**: approximately EUR 1 billion under the Telecoms section with 85 % dedicated to digital services and the remaining 15 % to broadband networks; **InnovFIN**; and **Horizon 2020 (H2020)**. EFSI provides risk financing instruments. EFSI and ESI can be combined to mobilise additional investment.

Within the Investment Plan, the Commission has set the objective to achieve at least an overall doubling in the use of financial instruments under the ESI funds. This objective (approx. EUR 23 billion) is within reach: based on current estimates, the planned overall allocations in Cohesion policy to financial instruments in 24 Member States are expected to be EUR 20 billion for ERDF only.

More information on Digital Economy & Society at EU level: https://ec.europa.eu/digital-single-market.

European Commission

European Investment Bank The EU bank