Investment Plan for Europe

Mobilising funds for research, development and innovation **#investEU**

Research and innovation create investment opportunities for new and better products and services and therefore increase competitiveness and employment. This is why the Investment Plan for Europe through the European Fund for Strategic Investments (EFSI) is investing so heavily in innovation-related projects and SMEs. The European Union (EU) has set itself the target of investing 3 % of its GDP in Research and Development by the year 2020. As EU and other public funds are limited compared to the investment needs of the European economy, it is essential to mobilise private investment. Research, development and innovation (RDI) is one of the priority sectors targeted by EFSI.

Why is it important

Following the financial crises that led to severe cutbacks in public funding in a number of EU Member States, RDI faces significant levels of underinvestment in a number of sectors that could greatly support Europe's competitiveness and well-being. Focus areas for investment into a better future include key-enabling technologies, bio-economy, circular economy, health and well-being, new transport energy technologies, as well as access to finance for innovative SMEs or research infrastructures. The EFSI 'SME window' has significantly boosted support for technology and industrial innovation. The requirement is to focus on innovative SMEs and midcaps.

The Investment Plan for Europe, together with other EU programmes, represents an opportunity to scale-up private and leverage public spending in all these domains, help create quality projects and remove barriers to investment in RDI. Creating a stable and predictable regulatory environment in a coordinated manner is a key element in increasing investor confidence in EU's RDI-driven industry. Building a highly skilled workforce also requires investment into education through the upgrading and modernisation of educational infrastructures, student loan schemes, and the financing of the «knowledge triangle» (Innovation, Business and Higher Education).

Opportunities and benefits

RDI project promoters can benefit from the Investment Plan through **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).

With no specific share allocated by sector, EFSI can support operations consistent with Union policies, recognising the importance of investments into RDI, in particular in relation to the challenges and specific objectives prioritised under Horizon 2020:

- **Excellent** Science (research, research infrastructures and future and emerging technologies)
- **Industrial Leadership** (key enabling and industrial technologies, innovation in SMEs)
- **Societal Challenges** (Health, demographic change and wellbeing; Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bio-economy; Secure, clean and efficient energy; Smart, green and integrated transport; Climate action, environment, resource efficiency and raw materials; Inclusive, innovative and reflective societies; Protecting freedom and security of Europe and its citizens.)

Investments may involve entities located or established in EU Member States and extending to countries falling within the scope of Pre-Accession and Neighbourhood policies.

Investment resources of relatively small size may be pooled together into national, sub-national, multi-country or regional Investment Platforms, involving National Promotional Banks. By aggregating small projects, investment platforms provide greater diversification, greater deal flow and reduced risk.

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

Grifols Biosciences R&D (Spain)
Research and development to improve medical treatment for conditions including Alzheimer's disease, vascular and cardiovascular surgery

Arvedi Modernisation Programme (Italy)
Modernisation of an innovative, mid-sized steel producer

Heidelberger Druckmaschinen - Printing RDI (Germany)
Research, development and innovation activities related to the development of printing presses and associated processes in sheet-fed offset and digital printing.

Complementary sources of funding

The opportunities offered under the Investment Plan for Europe complement the grants and financial instruments provided by the **European Structural and Investment Funds (ESIF)**. EFSI provides risk financing instruments (not grants). EFSI and ESIF can be combined to mobilise additional investment, as is the case under the SME initiative.

InnovFin-EU Finance for Innovators is the new generation of EU financial instruments and advisory services that was launched by the European Commission, under **Horizon 2020**, the EIB and EIF to help innovative firms access financing for research and innovation more easily. It is expected that the wide range of InnovFin debt and equity products on offer will make more than EUR 24 billion available to small, medium and large companies and the promoters of research infrastructures. This financing is expected to support up to EUR 48 billion of final research and innovation investments. **Horizon 2020 and ESIF** can be combined to mobilise additional investment, as is the case under the SME initiative.

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 Research Development and Innovation activities at EU level:
http://ec.europa.eu/research.

European Commission

European Investment Bank
The EU bank