

InvestEU: EU programme to encourage investment



InvestEU: small businesses and Covid-19 vaccine innovation

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InvestEU continues EU efforts to boost investment in Europe, support the recovery and prepare the economy for the future.

MEPs approved the rules for the [InvestEU programme](#) for 2021-2027 during the plenary session taking place on 8-11 March. The programme succeeds the European Fund for Strategic Investments, established in 2015 as the core of the [Juncker Plan](#) to increase public and private investment in Europe. The new programme brings together financial instruments aiming to support investments that are crucial for economic growth.

Building on investment success

When Jean-Claude Juncker was elected president of the European Commission in 2014, he announced plans to close the gap in investments needed for the EU to overcome the effects of the financial and economic crisis that started in 2008.

The idea behind the European Fund for Strategic Investments was to use limited resources from the EU budget to offer guarantees to the European Investment Bank so that the bank could take on riskier projects than usual and thus encourage other investors to get involved.

The plan [exceeded its target](#) of attracting €500 billion in public and private investment for projects across the EU by the end of 2020. But the Covid-19 crisis and EU long-term goals of a green and digital future have created new challenges.

How InvestEU will work

The new programme will establish an EU guarantee of about €26.2 billion that will allow investment partners to take on higher risks and support projects they might have otherwise ignored. The main investment partner will continue to be the European Investment Bank, but national promotional banks in EU countries and international financial institutions will also have direct access to the EU guarantee.

By supporting projects that will attract many other investors, the InvestEU programme should attract more than €372 billion in investment across the EU, contributing to the recovery and to the EU's long-term priorities.

EU countries will also be able to allocate resources to InvestEU from the structural funds they receive or from the funds they get from the [Recovery and Resilience Facility](#) that aims to support recovery from the pandemic.

“InvestEU is a flexible tool allowing member states to plan the use of their funds and not just be mere end users of these funds,” said [José Manuel Fernandes](#) (EPP, Portugal), one of the lead MEPs on this, during the plenary debate on 9 March.

Focus on sustainability, small firms and innovation

The EU guarantee will be allocated to four objectives:

- Sustainable infrastructure: €9.9 billion
- Research, innovation and digitalisation: €6.6 billion
- Small and medium-sized enterprises: €6.9 billion
- Social investment and skills: €2.8 billion

At least 30% of the investments under InvestEU should go towards meeting EU climate objectives. All four policy areas will include projects to support the just transition towards [climate neutrality in the EU](#). Investment projects that receive EU support will be screened to determine they do no significant harm to the environment.

Support for innovation and small businesses are important aspects of the InvestEU programme. Check out the video to see how its predecessor backed German biotechnology firm BioNTech, which went on to develop, together with US pharmaceutical giant Pfizer, the first EU-approved Covid-19 vaccine.

In [negotiations with the Council](#), MEPs from the budgets and the economic and monetary affairs committees ensured that capital support will go to small and medium-sized enterprises hit by the Covid-19 crisis.

During the plenary debate economic committee chair [Irene Tinagli](#) (S&D, Italy), one of the lead MEPs on this, said the inclusion of possible capital support for small firms “perhaps the most important result that we as Parliament achieved” in the decision-making process.

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