

# INVEST EU



## The Investment Plan for Europe

Let's #investEU

### CREATING A BUSINESS-FRIENDLY ENVIRONMENT



*The Investment Plan is built on three pillars.*

*First, the mobilisation of additional investment, maximising the impact of public resources and unlocking private investment through the European Fund for Strategic Investments.*

*Second, targeted initiatives to make sure that this extra investment meets the needs of the real economy. This is ensured through the European Investment Advisory Hub and the European Investment Project Portal.*

*And third, removing barriers to investment and providing greater regulatory predictability in order to keep Europe attractive for investments.*

The Commission has put forward concrete initiatives that should facilitate the financing of the real economy. This concerns work on guidance on public accounting rules, particularly in the area of Public-Private Partnerships, and making sure that state aid processes are as efficient as possible. In addition, work on the Energy Union, the Capital Markets Union, the Single Market Strategy, the Digital Single Market Strategy, the circular economy and international trade and investment agreements covers specific measures that, when fully implemented, will help remove barriers, promote innovation and improve the environment for investment.

Member States also need to step up their efforts in implementing the necessary reforms with a view to removing obstacles to investment that were identified in the context of the European Semester, most recently in the Annual Growth Survey 2017.

### PROGRESS AT EU LEVEL: COMPLETING THE SINGLE MARKET AND SIMPLIFYING EXISTING RULES



- The [Single Market Strategy](#) is the European Commission's plan to unlock the full potential of the Single Market. The actions mentioned in the Communication [Delivering the Single Market Agenda for Jobs, Growth and Investment](#) are essential for the long-term delivery and success of the objectives of the Investment Plan for Europe. These include work on the collaborative economy, a services passport, the start-up initiative, and a single EU VAT area. In addition to the new EU framework on public procurement, a voluntary ex-ante consultation assessment mechanism will be put in place that will help contracting authorities to make the most of the procurement framework.

- The [Capital Markets Union](#) (CMU) is the Commission's plan to mobilise capital in Europe. It will channel funding to all companies, including SMEs, and infrastructure projects that need it to expand and create jobs. Similarly to the proposals made to [reduce capital charges](#) for insurers investing in infrastructure projects, the Commission proposed on 23 November 2016 a [reduction of bank capital charges](#) for certain infrastructure investments.
- On 22 November 2016, the Commission put forward a cross-cutting agenda of actions to [support start-ups in Europe](#), as well as a proposal for a Directive to [increase the efficiency of insolvency procedures](#) and preventive restructuring and second chance frameworks, removing the barriers to investment resulting from divergences in such frameworks across Member States.
- The Commission will shortly adopt an energy package to boost clean energy transition and energy efficiency, to support EU global leadership in renewable energies and to provide a fair deal for energy consumers. The package will aim to provide predictability for businesses, investors and society and to facilitate investment at national level, notably through National Energy and Climate Plans.
- The combination of the European Fund for Strategic Investments (EFSI) with other sources of EU funding, including European Structural and Investment (ESI) Funds is a key element of the reinforced Investment Plan for Europe. On 14 September 2016, the Commission adopted a proposal for a simplification of the Common Provisions Regulation to facilitate this combination. In addition, the European Investment Advisory Hub (EIAH) will be enhanced at a regional and local level in order to actively contribute to the sectorial and geographical diversification of EFSI. These changes complement the [guidance](#) which the Commission provided earlier on how EFSI and ESI Funds can be combined. The Commission is committed to continuing the work to ensure an improved level playing field for the various EU instruments.
- Another concrete illustration of the possibility to efficiently combine those funds was delivered by the launch on 8 November 2016 of the [Pan-European Venture Capital Fund\(s\)-of-Funds](#): by pooling different resources, this programme aims to further address Europe's equity gap, the fragmentation of the venture capital market and to attract additional private funding from institutional investors into the EU venture capital asset class, in order to support the growth of innovative enterprises.
- Completing the [Digital Single Market](#) will enable Europe to overcome barriers related to infrastructure, broadband access, copyright and data protection, by enhancing the use of online services and digital technologies. The Digital Single Market strategy aims to open up digital opportunities for people and business and enhance Europe's position as a world leader in the digital economy. As part of President Juncker's State of the Union address on 14 September 2016, the Commission proposed a [modernisation of EU copyright rules](#) and more and better [internet connectivity](#) for citizens and businesses.

### The Commission is also taking action in a number of areas with direct impact on investment decisions in Europe:



EFSI financing is not qualified as State aid and EIB Group financing under the EFSI does not have to be approved by the Commission. Co-financing by Member States should in principle be approved by the Commission through an accelerated procedure. To offer further legal certainty the Commission has also provided practical [guidance on the application of State aid rules](#) on the public funding of infrastructure.



Member States will benefit from clearer guidance on public accounting rules, particularly in the area of Public-Private Partnerships (PPPs). A [guide to the statistical treatment of public and private partnerships](#), produced by Eurostat in cooperation with the European Investment Bank and addressed mainly to private stakeholders, was released on 29 September 2016.



Pilot projects have been launched recently to pursue, at EU level, a stronger convergence of the timelines of the different procedures regarding strategic infrastructure investment projects. The pilot covers, in a first stage, Belgium and Slovakia. Based on an assessment of these projects, the Commission will extend this initiative to other Member States in the course of 2017, with the ambition to create an effective “one-stop-shop” for all Member States. The initiative will bring together all responsible Commission services – including its Representation offices in the Member States – in a single investment policy team.

## PROGRESS AT MEMBER STATE LEVEL: TACKLING BARRIERS TO INVESTMENT IN THE EUROPEAN SEMESTER



The regular [European Semester](#) process provides an overview of the key objectives of the European Commission’s economic priorities, which focus on structural reforms, investment and responsible fiscal policies:

- Where available, Member States should use their fiscal space to increase public investment in areas conducive to growth, such as infrastructure, health, education and research, a point also highlighted in the Commission’s [Communication on a positive fiscal stance for the euro](#) area of 16 November 2016.
- At the same time, further action is needed to foster private investment and Member States are encouraged to accelerate the adoption of structural reforms and to tackle investment bottlenecks, such as regulatory and administrative barriers as well as cumbersome and lengthy approval procedures. In some Member States, remaining inefficiencies have been identified in the areas of public procurement, taxation systems, judicial systems and insolvency frameworks.
- Progress also means identifying a stable pipeline of projects and ensuring coordination and planning by all levels of national administration.

On 1 July 2015, the Commission established the [Structural Reform Support Service](#) (SRSS) that offers technical support to Member States, including capacity-building assistance for growth-enhancing administrative and structural reforms. The SRSS is engaging with a number of Member States on concrete projects to identify and remove barriers to investment.

In order to focus **European Structural and Investment (ESI) Funds** on supporting key economic and social reforms, the Commission intends to enhance the link to key priorities in the Country-Specific Recommendations. The legal framework covering the ESI Funds requires that programmes co-financed by ESI Funds address all relevant Country-Specific Recommendations.

In parallel, the Commission’s [Better Regulation](#) agenda seeks to simplify the EU’s legal framework and to reduce regulatory burden. The Commission’s 2016 work programme continues to put this approach into practice by proposing a limited number of new initiatives, in 10 priority areas. It sets out plans for 23 packages of Commission initiatives, significantly fewer than in previous years. Better regulation is a way of working to ensure transparency throughout the process, evidence always informs policy and law-making, and citizens and stakeholders are involved.