

# An Investment Plan for Europe

January 2015

In November 2014, the new European Commission announced a € 315 billion **Investment Plan** to get Europe growing again and get more people back to work. The Plan is built on three main strands:

- the creation of a **new European Fund for Strategic Investments** (EFSI), guaranteed with public money, to mobilise at least € 315 billion of additional investment over the next three years (2015 - 2017);
- the establishment of a credible **project pipeline** coupled with an assistance programme to channel investments where they are most needed;
- an ambitious **roadmap** to make Europe more attractive for investment and remove regulatory bottlenecks.

The announcement of an action plan to boost Europe's economy has triggered mixed reactions, but seems to be on its way to being implemented.

The process was kicked off by [a Communication from the Commission to the Council and Parliament](#) which was issued in late November. Following endorsement of the Plan by the Council, a **list of projects was issued by each Member State** (please see below, "What are the main areas of investment?"). However, it was specified that this list was neither definitive nor exhaustive, at this point of the process. Finally, [a legislative proposal](#) for a Regulation on the **European Fund for Strategic Investments** (COM/2015/010 final - 2015/0009 (COD)) was issued on 13 January 2015.

## What is the investment plan main goal?

The plan aims at channelling investment where it is most needed, and where it will be most profitable to ensure overall growth of the European economy. For this purpose, the Commission and the European Investment Bank (EIB) have teamed up to identify key investment areas. Moreover, the legislative proposal includes two main points. First of all, the **creation of an ad hoc investment fund**, the **European Fund for Strategic Investment** (EFSI). Secondly, the legislative proposal suggests the creation of "**project pipelines**" to receive funding collectively. The European Investment Project Pipeline will improve investors' knowledge of existing and future projects. Finally, the proposal also sets up a **European Investment Advisory Hub** to help with project identification, preparation and development across the Union.

## What are the main areas of investment?

A list of projects has already been issued, detailing the different projects that the Member States would like to invest in.

It is worth noting that **almost all the Member States have submitted some projects pertaining to waste management** aiming at for example modernizing or creating infrastructures. The illustrative **list of key projects related to circular economy and waste management per**

**Member State, identified by the FEAD Secretariat**, is annexed to this briefing note. Please note that the full draft list of projects per Member State is available here: [part 1](#), [part 2](#), and [part 3](#).

The projects provided by the Member States to the joint Commission-EIB Task Force will be selected according to **3 key criteria**:

- 1) EU-added value (projects in support of EU objectives);
- 2) Economic viability and value – prioritizing projects with high socio-economic returns;
- 3) Projects that can start at latest within the next three years, i.e. a reasonable expectation for capital expenditure in the 2015-2017 period.

In addition, listed projects should have the potential for leveraging other sources of funding. They should also be of reasonable size and scalability (differentiating by sector/sub-sector), even if this can take account of the bundling of smaller investments.

All projects submitted to the EIB for funding will be subject to normal due diligence in line with existing EIB procedures and guidelines and/or the European Union legislation should they be considered for finance. Co-financing by ESI Funds or other EU programmes of any project is subject to the respect of all applicable European Union and national rules.

### **Who will decide on the projects?**

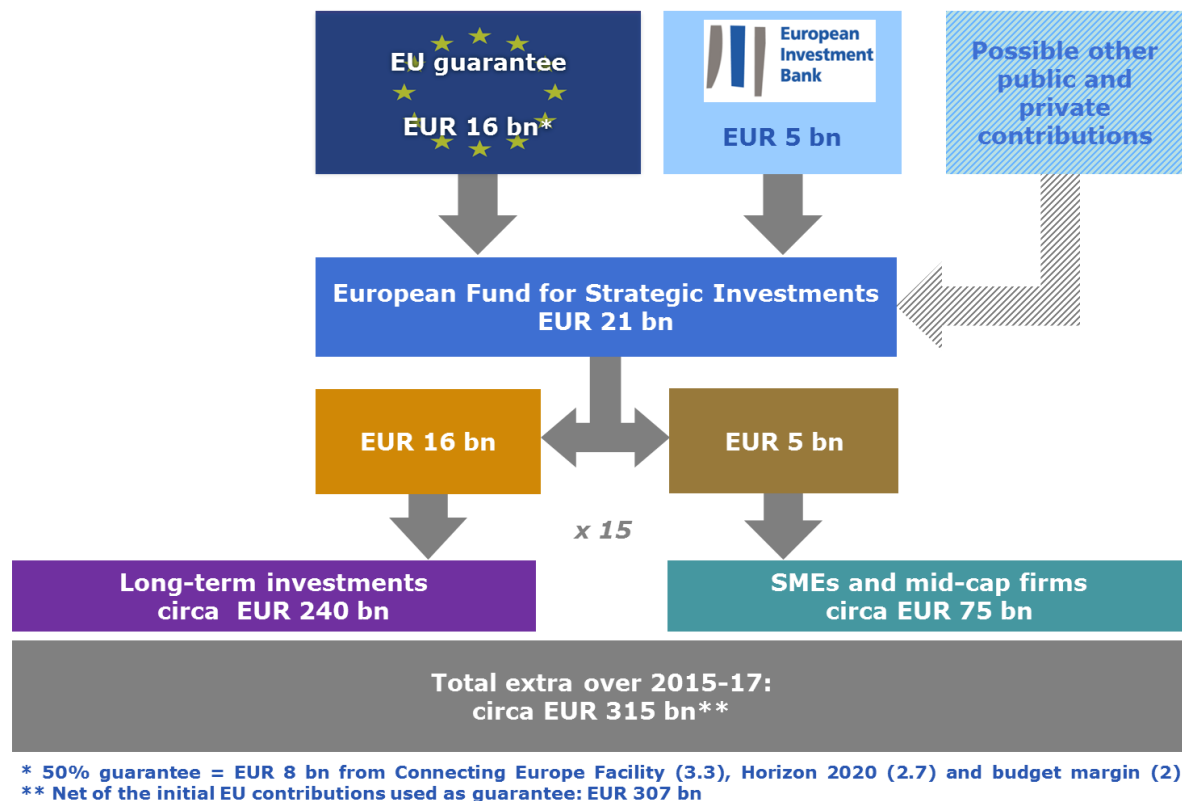
The Fund will have a dedicated **Investment Committee consisting of experts that will have to validate every project from a commercial and societal perspective** and in light of the Investment Guidelines of the Fund. Rigorous and regular monitoring will ensure that money is efficiently spent. Together with the Member States, the "**Investment Task Force**", which will report shortly, has carried out a first screening exercise of potentially viable projects with European significance. The Commission considers that this work should continue on a more permanent basis at EU level, to help identify and unlock key investment projects of European significance, as well as to inform investors on a regular basis of the state of preparedness of various projects. **National Promotional Banks** could usefully contribute to this work. The list of projects should be based on a number of simple and recognised economic criteria. **Projects will be continuously added and removed over time**. This does not mean that every project in the European pipeline should or will be financed in the context of the Plan (existing instruments could be used too), but it will allow public and private investors to access relevant and transparent information about projects. The list of assessed and non-assessed projects should be made available on a website, which in turn could be connected to similar lists at national and regional level. Expanded and improved technical assistance will also be put in place, through an **advisory investment "Hub"**.

### **Where does the money come from?**

The program will be financed by the EIB and the Commission in part, but the portion of public investment at the EU level will normally trigger and facilitate investment from private companies. The EFSI is the main channel to mobilise at least €315 billion in additional investment in the real economy over the next three years. It will finance projects with a higher risk profile, thereby maximising the impact of public spending and unlocking private investments. Member States can participate in the EFSI. Participation in the EFSI is also open to third parties, such as national promotional banks or public agencies owned or controlled by Member States, private sector entities and entities outside the Union subject to the consent of existing contributors. The EFSI will be built on a guarantee of € 16 billion from the EU budget, combined with € 5 billion committed by the EIB. The EFSI is planned **to be set up rapidly in spring 2015**. The objective is that the



Fund is operational by mid-2015. In addition, this investment will be complemented by maximising the leverage of the European Structural and Investment Funds 2014-2020, using loans, equity, and guarantees rather than traditional grants.



To learn more about “Where does the money come from” please consult this [link](#).

### **What is the link to the European Structural and Investment Funds?**

They have different purposes and are implemented with different financial instruments. While the EFSI focuses on attracting private investors in economically viable projects, the bulk of the European Structural and Investment Funds (ESIF) consists of grants while Member States are encouraged to at least double the use of innovative financial instruments in the future. To take a fictitious example: building a road with a toll in an industrial centre might attract investors and could thus be more easily funded through the EFSI. But building a road without toll in a rural area will probably not attract private investors and is therefore better funded through the European Structural and Investment Funds (ESIF).

### **More information?**

For more detail information on the European Investment Plan, please consult the following [link](#).



## **Annex**

### **Project lists from Member States and the Commission Projects relevant to waste / waste management / the circular economy**

#### **Austria**

- Plasma demonstration plant implementing enhanced landfill mining and its key waste resource upcycling technologies demonstrating that landfilled waste can be upcycled to secondary raw materials and renewable energy.

#### **Belgium: Flanders, Wallonia, Brussels**

- Walloon region wastewater master plan: rehabilitation of wastelands for the purpose of a circular economy
- Urban cluster together in a single building intellectual skills (soft skills) necessary to SMEs and start-ups active in the field of sustainable construction, environmental and resource waste (sustainable)
- Implementation of a European Center for Circular economy

#### **Bulgaria**

- Construction of modern installations needed for the functioning of regional systems for waste management and implementation of innovative methods for treatment of specific waste streams
- Implementation of activities of closure and recultivation of municipal landfills that do not meet the legal requirements and current technical standards

#### **Denmark**

- To ensure growth and jobs in the resource sector and at the same time improve value of the waste generated in Europe, improved sorting techniques and facilities are needed to be a valuable resources base for commercial for turning these materials into new products
- 3 large facilities will be constructed with the private sector
- The technological development of energy recovering from sludge has increased in recent years (...) It is suggested to establish an EU fund of 200 million euros for energy optimizing in the water sector.

#### **Finland**

- Integrated concept for municipal waste based bio-refinery, including recycled materials, bio-liquids and energy production
- To build a bio-refinery that will process mixed bio-waste and a plastic treatment facility that will process recycled plastic packaging and other plastic wastes from households. This facility would be the first in Finland

#### **Germany**

- ALPHAKAT GmbH offers an alternative to the usual processes (...) It is now possible to dispose of fossil waste without emissions, toxic substances or toxic residues. It can be applied to the waste resulting from domestic waste, plastic such as bottles or packaging, etc.



**Greece**

- Solid waste of livestock: the target of the proposed action is the attainment of an integrated process/management of livestock waste and more specifically dead animals
- Waste and waste water treatment plants proposed in various regions of Greece

**Italy**

- Zero organic waste in landfills with full reuse as compost, biogas and chemicals
- Investment in water and wastewater schemes

**Latvia**

- Upgrading of small wastewater treatment plants
- Waste water sludge treatment and processing thus producing thermal energy

**The Netherlands**

- Circular economy: public/private financing mechanism for investments in large scale, high tech recovery of materials like rare-earth metals, concrete, phosphate, from solid or liquid waste streams

**Poland**

- Building 3 waste-to-energy plants
- Build new waste water treating plant

**Romania**

- Improve waste water treatment in various regions of the country

**Slovak Republic**

- Construction of three new technological units for communal waste sorting and recycling

**EU 28**

- The Circular Economy – Sustainable process industries (SPIRE)
- Energy efficient buildings
- European Green Vehicles initiative
- Factories of the Future

