



The Investment Plan for Europe

IFSWF, Milan, 30th September 2015
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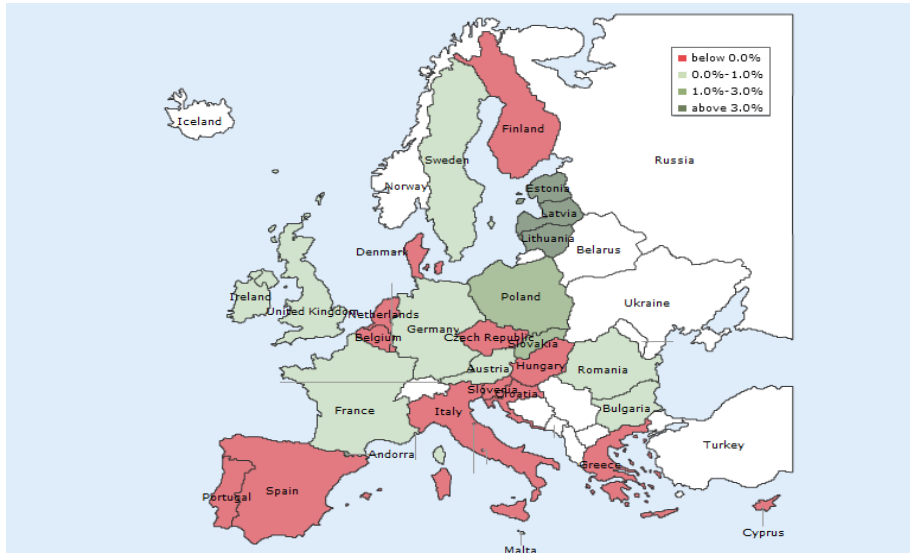


EU economic context

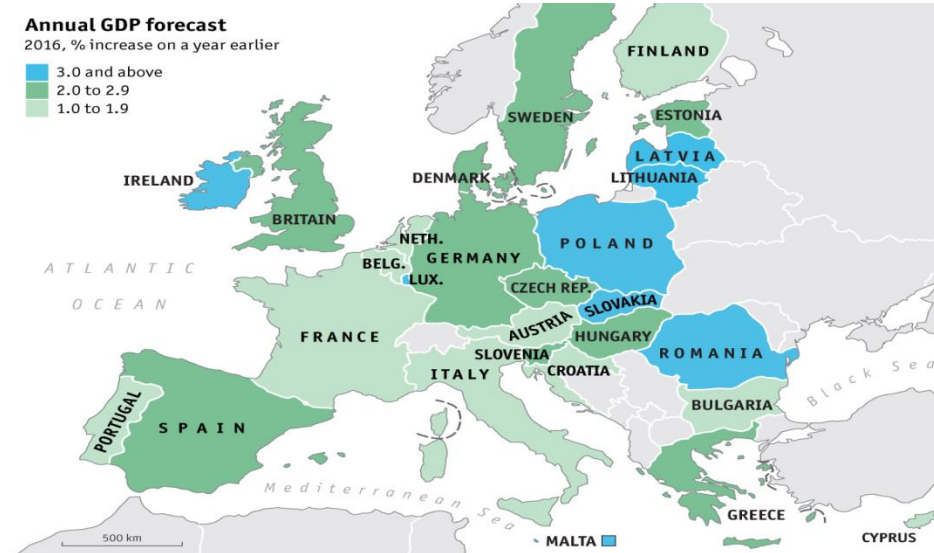
- *Despite challenging global economic environment, the recovery in the EU continued at a moderate pace (GDP forecast 2015=1,8%);*
- *Most former vulnerable economies are growing faster than expected;*
- *Economic growth in the EU is benefiting from the strength of economic tailwinds (low oil prices, a still low external value of the Euro, ECB's QE, broadly neutral fiscal stance);*
- *Labour markets are gradually improving but unemployment remains high;*
- *HICP inflation to recover later this year and next.*

The economic situation is improving

European growth map 2012



European growth map 2016 (forecast)



EU Investment Plan: rationale

EU investment & competitiveness gap

High liquidity in the market

Public budget constraints

Financial and non-financial barriers to
investment



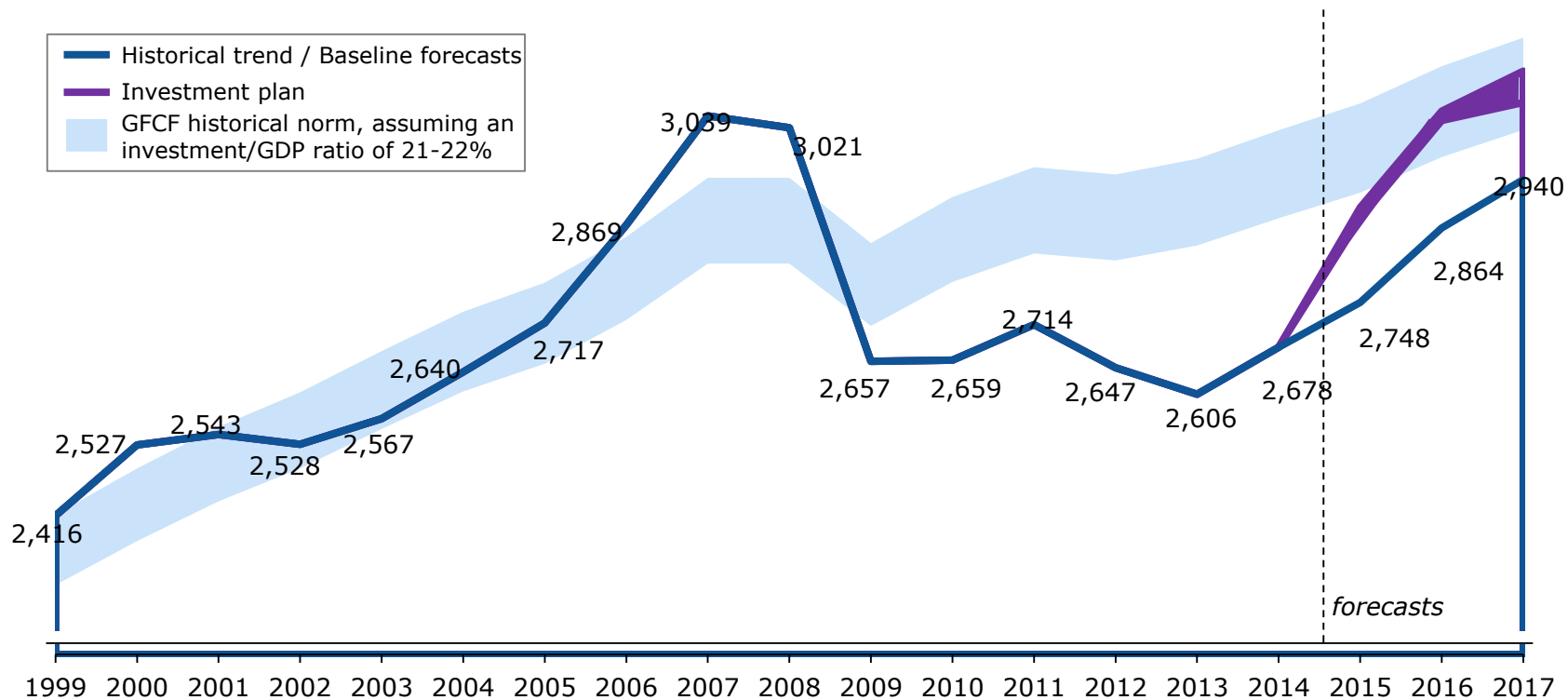
EU Investment Plan

EU/MS policy action + EU budget +
EIB capacity to mobilise private
sector funds towards strategic
investments.

The €315bn Investment Plan has the potential to bring investments back in line with historical norms

Real gross fixed capital formation – Baseline trend vs. historical norm vs. investment plan

EU-28, in 2013 prices, € bn



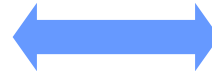
EU Investment Plan: 3 pillars

1. MOBILISING FINANCE FOR INVESTMENT

- Boost investment in strategic projects and access to finance via the European Fund for Strategic Investments (EFSI) within EIB/EIF
- Cooperation with National Promotional Banks

2. MAKING FINANCE REACH THE REAL ECONOMY

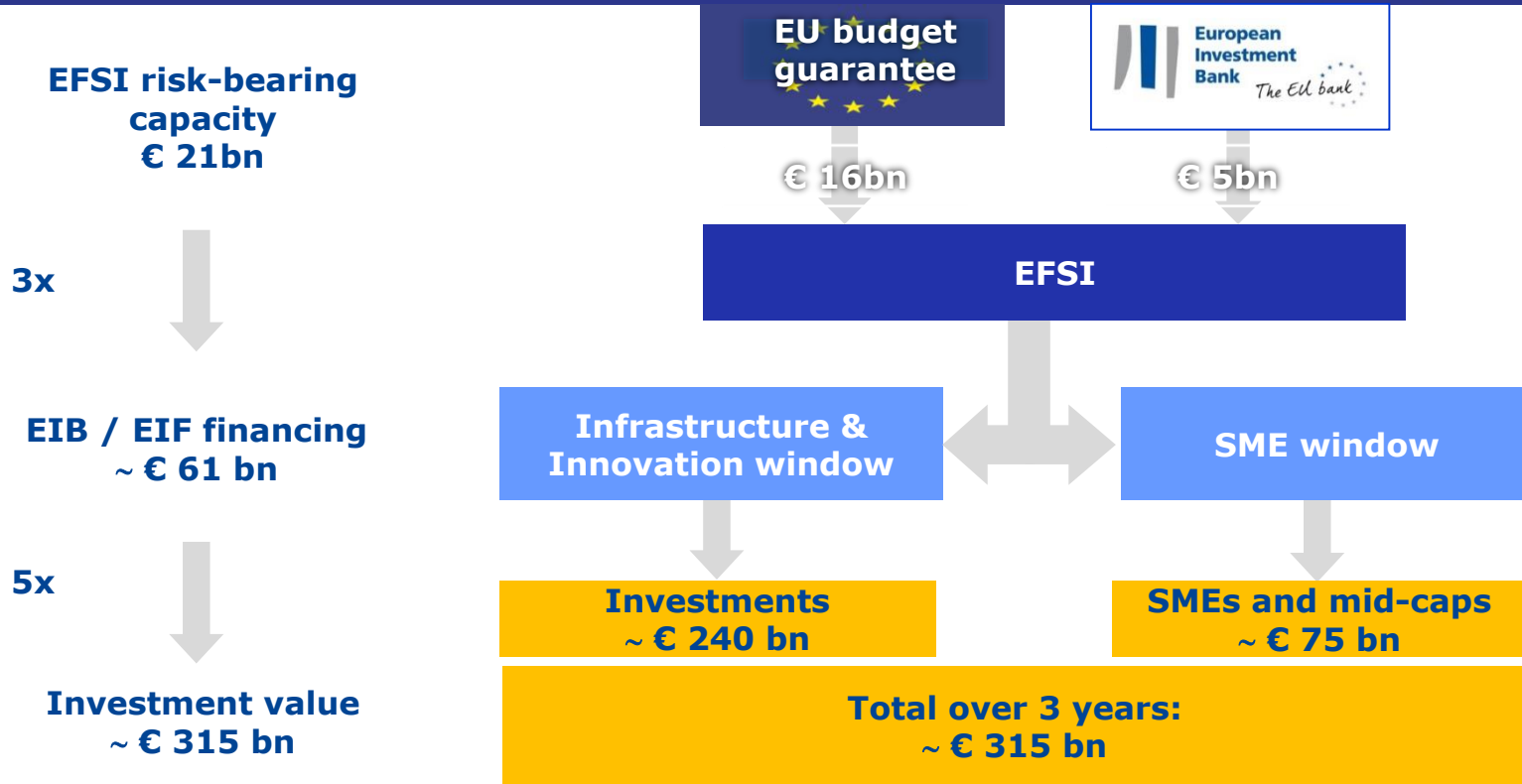
- European Investment Project Portal
- European Investment Advisory Hub: technical assistance



3. IMPROVED INVESTMENT ENVIRONMENT

- Predictability and quality of regulation
- Removing non-financial, regulatory barriers in key sectors within EU Single Market
- Structural reforms at national level

1. European Fund for Strategic Investments





EFSI: eligible sectors

1. Research, development and innovation
2. Energy (ref. Energy Union priorities)
3. Transport infrastructure
4. Information and Communication Technologies
5. Environment and resource efficiency
6. Human capital, culture and health
7. Support to SMEs and mid-cap companies

Key features of EFSI

- Focus on investments in real economy
 - Results on growth and jobs
 - Market-driven, no political interference
 - No geographic or sector pre-allocation
- Support to EU policies
- Leverage / crowd-in private sector and third parties
- Economic and technical viability
- Additionality vs existing instruments
 - Market failures and sub-optimal investment
 - Higher risk-taking than EIB normal activity in EFSI timeframe

Contributions announced by EU Member States

Member State	NPB	Contribution announced (up to)
Germany	KfW	€ 8,000m
Spain	ICO	€ 1,500m
France	CDC	€ 8,000m
Italy	CDP	€ 8,000m
Luxembourg	SNCI	€ 80m
Poland	BGK/PIR	€ 8,000m
Slovakia	SIH/SZRB	€ 400m
Bulgaria	BDB	€ 100m
United Kingdom		€ 8,500m
TOTAL		€ 42,580m



Opportunities for promoters/investors

Projects

- Cofinancing / Risk-sharing with EIB/EIF

Investment Platforms

- Pooling of projects with thematic or geographic focus
- Agreement or Fund
- Can benefit from EU Guarantee via EIB
- Cooperation with EU National Promotional Banks

Interest by institutional investors and SWFs

2. Making finance reach the real economy

Transparency on the investments in Europe

- European Investment Project Portal – any public/private entity
- Matching investment opportunities proposed by project sponsors with investors' interest

Strengthening advisory services

- European Investment Advisory Hub (EIAH) – EC/EIB/MS
- Technical assistance
- Pooling resources & expertise

3. Improved investment environment

Better and more predictable **regulation** at all levels

Making most of the **Single Market**

- Energy Union
- Digital Single Market
- Capital Markets Union: action plan
- Services Market



Structural reforms in the Member States

Openness to international trade and investment

Summary

Europe ongoing recovery

Focus on 3 pillars of Investment Plan for Europe

1. EFSI operational.
 - Investment proposals to be submitted to EIB/EIF.
2. Reach the real economy
 - European Investment Advisory Hub operational.
 - European Investment Project Portal operational by early 2016.
3. Improve Investment environment
 - EU Single Market and structural reforms.

Openness to private and institutional investors.



Thank you for your attention – more information available at:

http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm

<http://www.eib.org/about/invest-eu/index.htm>

#investEU

#EFSI



IFSWF *Milano*

THE 7TH ANNUAL MEETING INTERNATIONAL FORUM OF SOVEREIGN WEALTH FUNDS



Fondo Strategico Italiano