

EUROPEAN FUND FOR STRATEGIC INVESTMENT (EFSI) FIRMLY ON THE TRACK

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How to give hope to EU citizens and share the benefits of EU response to our common challenges in a few words? Let's give a concrete example with a flagship EU action launched in 2015: EFSI. The European Fund for Strategic Investments (EFSI) was set up jointly by the European Commission and the European Investment Bank (EIB) Group, and implemented rapidly by the EIB **and the European Investment Fund (EIF), to help the EU with finding the way to economic recovery after the crisis. EFSI helps to overcome the current investment gap in the EU** by mobilising financing for strategic investments and contributes to restoring competitiveness, increasing growth and creating jobs.

And EFSI works. Almost 50% of the 3-year investment target of mobilising EUR 315bn of additional investment has been reached, covering all EU Member States and all eligible sectors. **It demonstrates that the too often criticized EU framework can deliver tangible benefits when it comes to stimulate private and public investments, create jobs and support growth.** Moreover, this is not only about numbers. EFSI is not "business as usual" but a real game changer: more than 60 percent of projects benefiting from EFSI are with clients that are new for the EIB group. Our portfolio of riskier projects has already increased by more than 400 percent and we have developed a range of new products in order to support previously underserved markets and beneficiaries.

EFSI builds on existing EU instruments to address market failures and close investment gaps, taking higher risks than what commercial investors are able or willing to take. It is a model to reinforce the impact of the EU budget, achieving more with the same amount of budgetary resources by shifting from subsidies to financial instruments and catalysing private finance to productive investment.

EFSI has created a good momentum in the EU, but investment dynamics remain fragile. In order to send a strong signal to project promoters and investors and bring more certainty and visibility about EFSI future, the decision has been made to extend the duration of EFSI. Leveraging on the good initial results, **the new proposal addresses the lessons learned while**

preserving the efficiency and strengths of the instrument. For instance, the EFSI extension will reinforce the importance of climate action objectives, following ambitious engagements taken in Paris and recognizing the on-going efforts of the EIB in this area. **Ensuring a better geographical balance is one of the driving factors for the reinforcement of the European Investments Advisory Hub (EIAH) hosted by the EIB.** The EIAH provides expertise on how to implement and financially structure viable projects. The strength of EFSI builds on its market driven approach. EFSI uses public resources to stimulate and channel private finance where market gaps persist. This formula works for certain challenges but not all. Therefore it is important to focus EFSI on policy objectives where this direct link to the real economy contributes the best. **While transparency requirements are of greatest importance** – and EU institutions must lead the way – confidentiality is also key to our clients.

The EIB constantly works to deploy EFSI where it is needed the most and will continue to do so, to support jobs and growth in the EU. The success of EFSI will not only be in economic terms, but for Europeans to concretely see and feel its effects in their daily life. EFSI will help to achieve more with limited EU budget resources and to ensure that those resources have an important impact. The long-term benefits from EFSI will also crucially depend on our joint European capacity **to establish a truly investment-friendly environment across the EU, by identifying and removing investment barriers.**