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## 'JUNCKER PLAN' BECOMES FRIENDLIER TO POORER EU MEMBERS

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EurActiv

The European Commission plans to improve the geographical reach of its flagship investment scheme popularly known as the Juncker plan, after the first year of its operation showed that mainly the richest 15 countries of the 28-nation bloc benefited from it.

The scheme, launched last year, seeks to attract private funds to finance investments, the more risky parts of which are covered by the European Fund for Strategic Investment (EFSI) using 31 billion of public money.

### JUNCKER PLAN CLEARED FOR TAKE-OFF

After a strenuous negotiating process, on Wednesday (24 June) MEPs validated the European Fund for Strategic Investments, taking the EU one step closer to the launch of the Juncker Investment Plan. EurActiv France reports.

EurActiv.com

By the end of June, one year into the three-year scheme, the programme generated 11 billion of investment, or one-third of the planned outcome, the European Investment Bank said in an evaluation report on the plan, which it co-finances.

But it also said that nearly all of the money spent so far had gone to the 15 richest countries in the bloc, leaving the other 13 poorer ones out in the cold.

Commission spokeswoman Annika Breidhardt said yesterday (5 October) such geographical distribution of projects financed by EFSI was a result of demand.

Despite this, the Commission agrees that geographical coverage can be further improved, she said, saying it was part of the Commissions proposal to double the plan in size and length.

Our proposal places a stronger emphasis on leveraging local knowledge to facilitate EFSI support across the EU, she said.

To encourage projects also from the 13 poorer EU countries, they will get targeted technical assistance services at local level across the EU from the European Investment Advisory Hub and the Commission will encourage the EIB to be more active there too.

## COMMISSION WILL ASK FOR AN EXTENSION OF 'SUCCESSFUL' JUNCKER PLAN

On Wednesday (1 June), the European Commission announced that it will propose extending the Juncker Plan beyond its 2018 deadline, and will seek to replicate its model in developing countries.

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### BACKGROUND

On 25 November 2014, the European Commission revealed the details of its 315 billion euro investment plan.

The idea is to create a new European Fund for Strategic Investments (EFSI), with 16 billion coming from the European Investment Bank and an 16 billion guarantee from existing EU funds, making a contribution of €16 billion in total from the institutions.

The 16 billion guarantee will come over a three-year period from the Connecting Europe Facility ( 16 billion); Europes research programme Horizon 2020 ( 16 billion) and so-called budget margin, or unused funds, worth €2 billion.

The resulting EFSI fund, totalling 16 billion, is expected to generate 16 billion for long-term investments and €75 billion for SMEs and mid-cap firms over the period 2015-2017.

The plan drew questions over the lack of new cash, with some members of the European Parliament calling it an exercise in "recycling and re-labelling" existing programmes.

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Kaynak/Source: