



Council of the
European Union

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NOTE

From: Presidency
To: Delegations

Subject: Measures in support of investment
- council conclusions

Delegations will find attached Council conclusions on investment, as agreed by the Council (Ecofin) on 14 October 2014.

Measures in support of investment in Europe

Council Conclusions

The Council

1. **ACKNOWLEDGES** that despite significant structural efforts made by the Member States and significant improvements in financial market conditions, recent macroeconomic developments are disappointing with low GDP growth and very high and persisting levels of unemployment in much of Europe. **UNDERLINES** the urgency to implement further measures to boost competitiveness and the European growth potential with a view to strengthen expectations of future economic growth prospects. **RECALLS** the **European Council** conclusions of 27 June 2014 on a Strategic Agenda with a strong focus on jobs, growth and competitiveness and the call of the **European Council** of 30 August for rapid progress on implementing these orientations and to start working on these issues without delay.
2. **SHARES** the concerns on the decline of public and private investment in the EU since the onset of the financial crisis and **STRESSES** that it may be attributed to many different factors, including insufficient aggregate demand in some Member States, overall macroeconomic uncertainty, low capacity utilisation, public and private sector deleveraging – the latter in the context of stricter regulation on financial institutions, institutional bottlenecks, and structural impediments to investment, job and growth.
3. Against this background, **UNDERLINES** that improving the conditions for both public and private investment is at the center of the EU level-response to promote growth potential and sustain demand. **STRESSES** that investment policies stand at a strategic intersection where synergies can be achieved using different policy tools. The credibility of reforms and confidence over economic prospects are key ingredients to make policies work effectively. Moreover, investment is often cross-border and thus generates positive regional /European spillovers.

4. WELCOMES the announcement by President-elect Juncker to present an investment initiative within the first three months of his mandate.
5. RECOGNISES the need for a high level of ambition and a broad scope of action along several strands of work emerging from Ministers' discussions and WELCOMES the Commission and the EIB work, in close cooperation with Member States, on concrete actions to facilitate investment and identify related bottlenecks.
6. EMPHASISES, in particular, as a key condition for fostering investment, the nexus with structural reforms and the importance to identify, encourage and implement investment-supportive reforms to create all over Europe a conducive business climate, making full use of the country specific recommendations. RECOGNISES strong synergies between investment and the single market agenda and the need to fully exploit such synergies. WELCOMES the Commission's work to provide EU-wide analysis on key investment conditions such as efficient public administration and labour market, building on its assessments in the context of the European Semester.
7. STRESSES that the composition of public expenditure should be better orientated towards growth, notably in supporting of investment. RECOGNISES, in line with the Stability and Growth Pact, that sustainable public finances play an important role in providing a positive climate for investment. STRESSES that the quality of public expenditure in areas such as Research and Innovation is critical for the investment climate.
8. In line with the Communication from the Commission on Long-Term Financing of the European Economy, RECOGNISES the importance of promoting a friendlier regulatory framework for long-term investment and of developing a more balanced financial system, including through the availability of alternative sources of finance.
9. In this context, EMPHASISES the need to examine measures including revitalising the market for simple and transparent securitisations, deepening market-based financing channels especially for SMEs and promoting the diversification of the EU financial system through enhanced access to capital markets, as an integral part of the policy package.

10. WELCOMES the establishment of a Task Force, led by the EIB and the Commission and including the Member States, with a view to working on concrete measures to boost investment. It will identify potentially viable investment projects of European relevance that could be realised in the short and medium term and lay the foundation for a credible and transparent pipeline of projects to boost EU competitiveness and growth potential in the medium to long-term.
11. AGREES with the need to focus on key sectors with EU-added value to boost the competitiveness and the growth potential of the Union, notably research and innovation, digital economy, energy and transport infrastructure, social infrastructure and the environment including activities of SMEs and Mid-caps in line with the announced Political Guidelines of the new Commission, thus contributing to the full completion of the single market.
12. WELCOMES that the Task Force will provide an overview of the main investment trends and needs in these sectors; analyse the main barriers and bottlenecks to investment; propose practical solutions to overcome those barriers and bottlenecks.
13. CALLS upon the Commission to consider options to further focus the EU budget towards productive and growth-oriented investments and fully exploit the potential of its catalyst role; consider enhancing its technical assistance programs; consider streamlining governance arrangements and delivery mechanisms under further joint initiatives with the EIB; build upon existing initiatives, such as the Project Bonds, on the basis of their upcoming assessment.
14. HIGHLIGHTS the importance to adopt innovative financial and institutional arrangements with a view to further enhancing the catalysing role of the EIB, including enhancing financial partnership among the EIB and the National Promotional Banks, such as setting up a European common “Platform for Investment” and other ways to mobilise private capital.

15. STRESSES the need to make the action of the European Investment Bank more effective, including by fully exploiting its risk bearing capacity to support European investment in key sectors to boost competitiveness and growth potential, and further extend the scope of its financing tools, while continuing to bridge market gaps stemming from financial fragmentation and preserving the Bank's solid financial strength. EMPHASISES that all options and initiatives to scale up resources for investment should be considered, including mobilising EIB resources, private capital, and tapping existing lines of the EU budget.
16. WELCOMES that EIB and the Commission will report on the strands of work above described at the December Ecofin.
