

Juncker Plan: a flywheel for Innovation

Paolo Mulassa

Antonio Lot

Vercelli | 28 Settembre 20

THE INVESTMENT PLAN FOR EUROPE



"The €315 billion Investment Plan for Europe, which we agreed just twelve months ago, has already raised €116 billion in investments in its first year of operation.

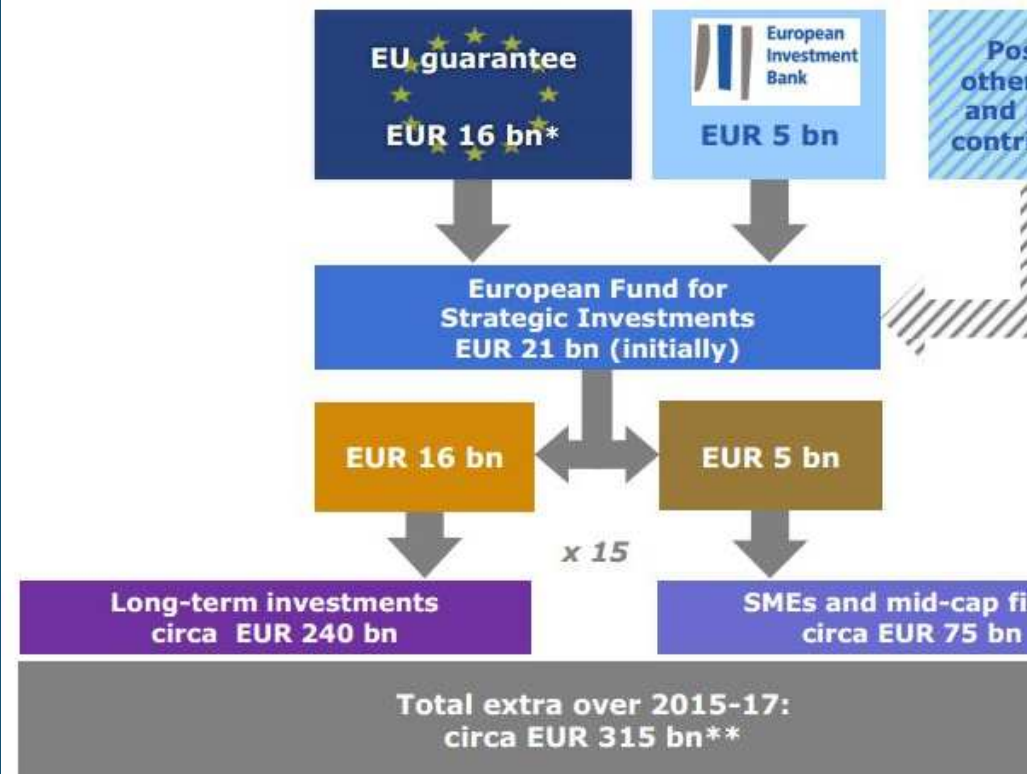
*And now we will take it further. We propose to **double the duration of the Fund and double its financial capacity to provide a total of at least €500 billion of investments by 2020***

Jean-Claude Juncker
State of the Union Address European Parliament
14 September 2017

RECOVERY PLAN AT A GLANCE

The **European Commission**, together with the **European Investment Bank**, proposed strengthening its global competitiveness with **four main actions**:

1. Strengthening regulatory and structural reforms to remove bottlenecks and create an investment friendly ecosystem
2. Creating the **European Fund for Strategic Investments (EFSI)** to address the market failure in risk-taking.



3. Creating the **European Investment Advisory Hub (EIAH)** to help strengthen and accelerate investments.
4. Creating the **European Investment Project Portal (EIPP)** to attract both private investors and project promoters.

STATE OF PLAY: ITALY (JULY 2017)

Operations approved in **Italy** under the **Juncker Plan's European Fund for Strategic Investments (EFSI)** now represent a total financing volume of **EUR 5.4 billion**. This is expected to trigger **EUR 33 billion in investments**.

ME financing: Under EFSI the EIF approved **50 agreements** with financial intermediaries (banks, funds, etc.). The financing totals **EUR 6 billion** and is expected to trigger **EUR 21.2 billion in investments**.

04.171 smaller companies or start-ups will benefit from this support.

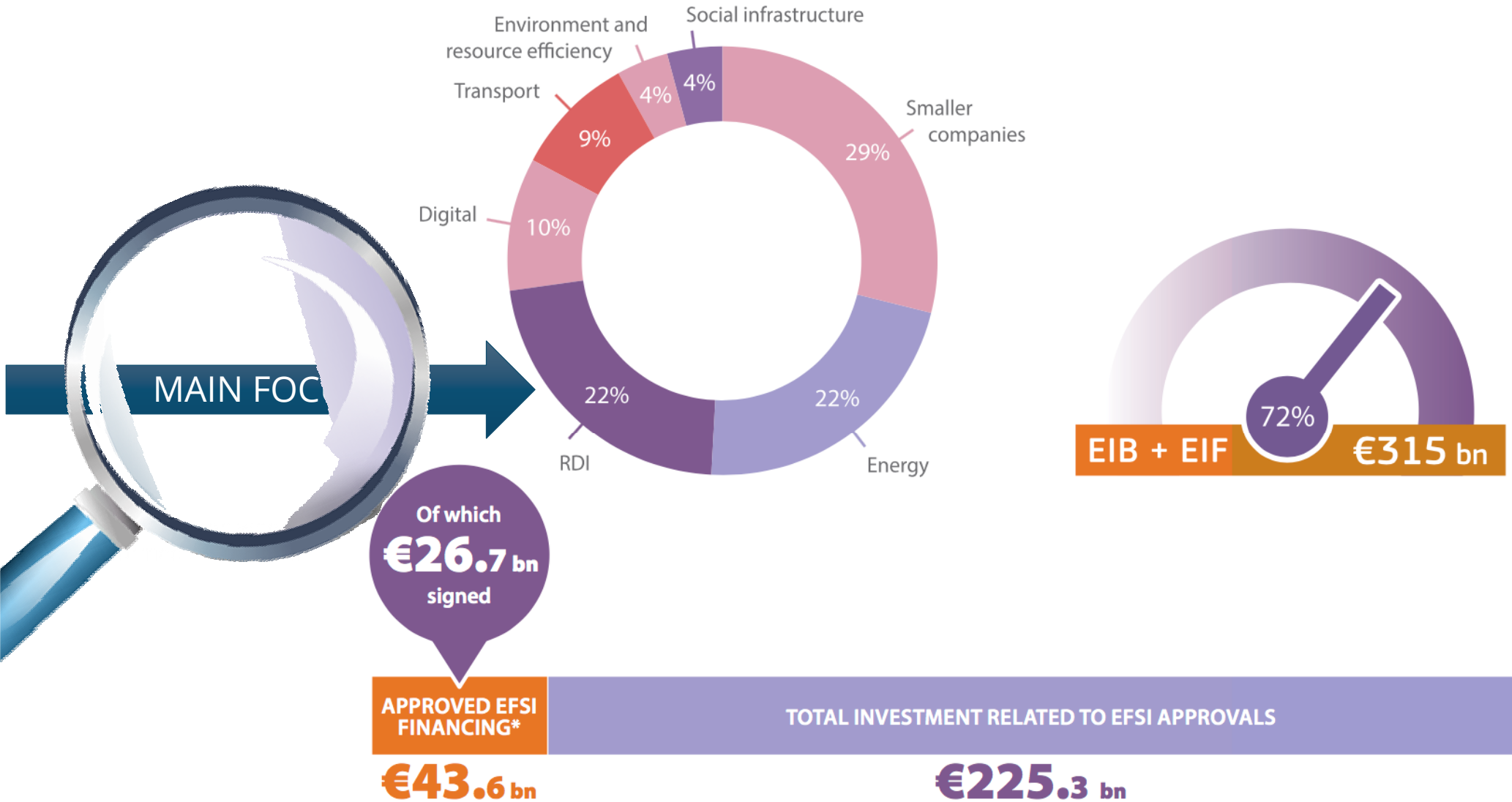


Infrastructure and Innovation projects: **41 approved projects** amount to **EUR 3.8 billion** in EIB financing under the EFSI. This is expected to trigger **EUR 11.8 billion** in investments.

Covered Sectors: Energy, Social Infrastructure, Transport, Digital, Agriculture, Environment and resource efficiency, RDI, Smaller companies.

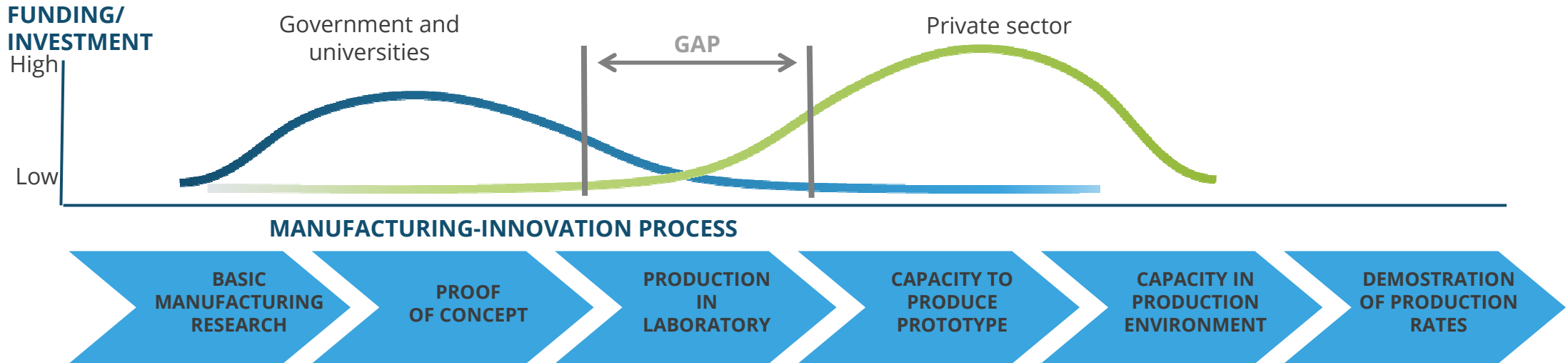
Intermediaries include: CREDEM, BPER, Mediocredito Trentino-Alto Adige, Credito Valtellinese, BCC di Cambiano, Cassa di Risparmio di

RESULTS ACROSS ALL 28 MEMBER STATES (JULY 2017)



* EIB-approved: EUR 29.7 bn
EIF-approved: EUR 9.3 bn

NCKER PLAN RATIONALE



Engage the private sector on innovation strategic but risky projects. This means **engaging the private sector** on projects with a **Technology Readiness Level going from 4 to 6**.

Support the private sector in taking more risk on laboratory solutions. At the same time, if private sector goes down in the TRL scale, **the Research Institutions** can be part of the **supply chain**.

JUNCKER AN OPPORTUNITY FOR INNOVATION?



PROS

The main goal of the Plan is financing projects, **activating private investments with a leverage of 15**.

Projects should be “innovative” as reported in the EFSI regulation. One of the objectives is to support research, development and innovation, in particular through support to academia including collaboration with industry”.

The main reason to refer to research organizations resides in the fact that **part of the EFSI budget comes from Horizon 2020** (prox. € 2.4B) and **Connecting Europe**, therefore such amount has been no longer dedicated to grants but turned into loans.



JUNCKER AN OPPORTUNITY FOR INNOVATION?

CONS

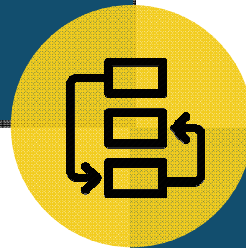
- On June 2016, **European Universities Association** published a review of the first year of the Plan, underlining few criticalities of the reasons why the university-system cannot share with industry the foreseen benefits.
- The first issue is based on numbers: out of 57 running projects there is **no evidence of the presence of universities neither research organizations as formal members of consortia.**
- Second issue is about the projects nature and size. Data provided by the Commission shows that **nearly 90% of projects were focusing on infrastructure development while 10% on RDI.** Note that in none of this 10% projects, universities were present.

ROLES OF RESEARCH ORGANIZATIONS

SI projects have to be innovative, therefore they are intrinsically risky but should be capable of generating impact. **Research organizations bring to projects innovation but also the capability of managing innovation.**

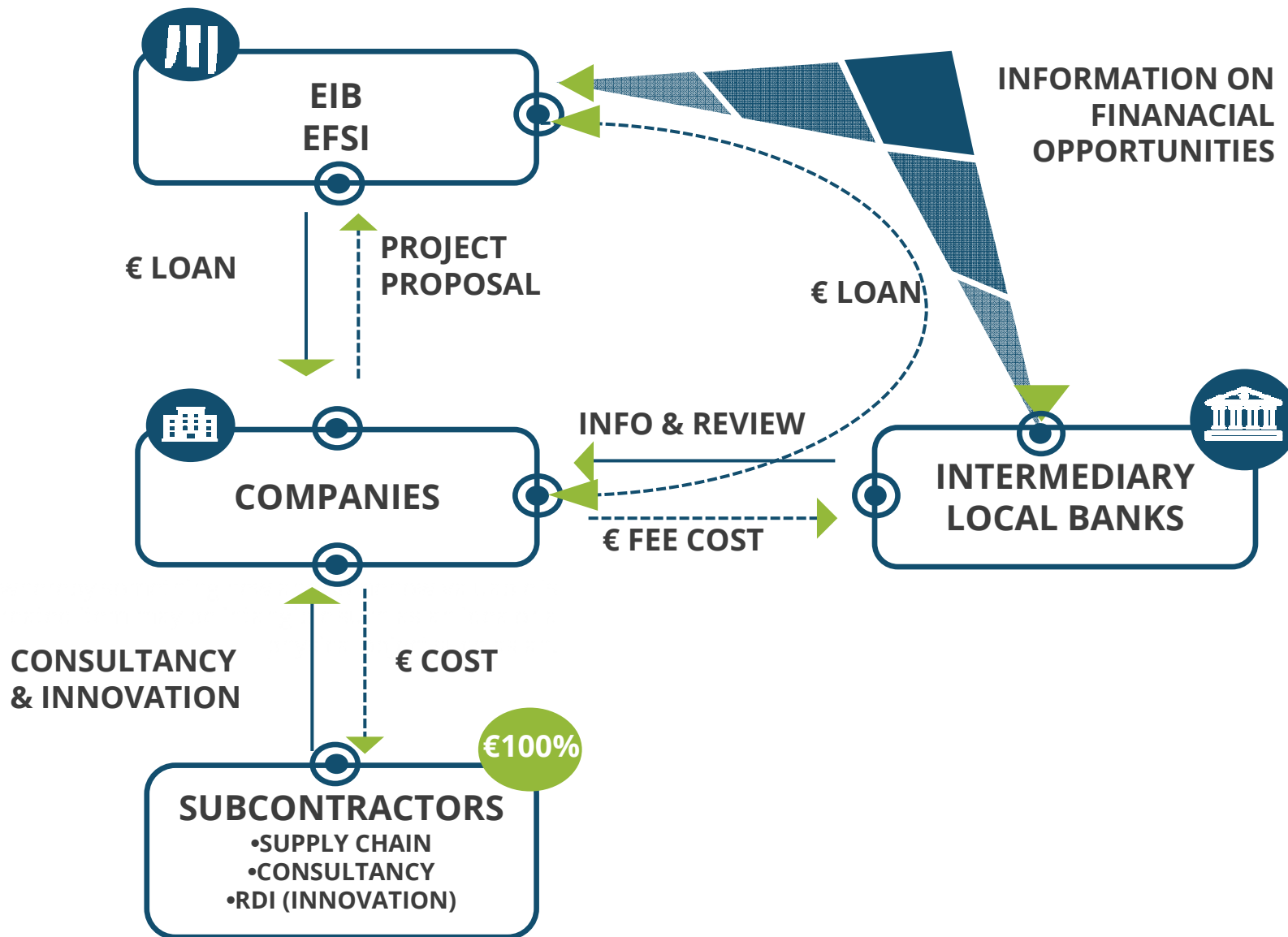
Research organizations usually transfer their innovations into companies using Horizon 2020 projects, therefore they **have contacts with industries or SMEs capable of submitting EFSI proposals** as a second step after successful Horizon 2020 projects.

Research organizations are independent institutions that **can somehow “guarantee” the feasibility of the innovation content** in a industrial proposal reducing the intrinsic risk.



Companies use local banks as intermediaries to engage EIB/EFSD, and such local bank have limited knowledge of potential industrial proposers. **Research organizations know the “innovation market” and can help the local intermediaries to increase their network.**

ACTION PLAN FOR INNOVATION: SCHEMA



CONCLUSIONS

01

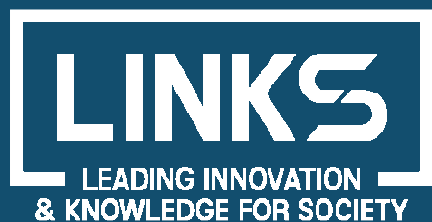
EFSI is a concrete opportunity for innovation and for tech transfer

02

The knowledge created with H2020 has to be seen as **building block** within EFSI projects, especially considering the interest confirmed by the European Commission for the **future of EFSI** in the

03

EFSI is an additional instrument for **financing high-impact industrial projects with a core of innovation**



CONTACTS

PAOLO MULASSANO, PhD

mulassano@ismb.it

ANTONIO LOTITO

lotito@ismb.it



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