

# Increasing the efficiency of the EU guarantee under the InvestEU Regulation and simplifying reporting requirements

2025/0040(COD) - 26/02/2025 - Legislative proposal

PURPOSE : to address Union-wide and Member State specific market failures and the investment gap within the Union.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: following up on the Draghi report on the future of European competitiveness, the Commission confirmed in its Communication ‘A Compass for EU Competitiveness’ that it would propose a first ‘**omnibus package on simplification**’ that would include far-reaching simplification in the areas of sustainability disclosures in the financial services sector, sustainability due diligence and taxonomy. In its February 2025 Communication ‘A Simpler, Faster Europe’, the Commission set out the vision for an implementation and simplification agenda that delivers rapid and visible improvements for citizens and businesses on the ground.

The Union faces **massive financing needs** to deliver on its objectives in the areas of innovation, the clean and digital transition, and social investment and skills, while a complex backdrop affecting the Union’s competitiveness and industrial base characterised by changing global dynamics, slow economic growth, accelerated climate change and environmental degradation, technological competition and rising geopolitical tensions needs to be addressed.

The Draghi report assesses the combined additional investment needs in Europe at EUR 750-800 billion per year by 2030.

Currently, **the InvestEU Fund** plays a key role in removing financial barriers and stimulating the investments needed for competitiveness, research and innovation, decarbonisation, environmental sustainability, and skills development. By June 2024, InvestEU was estimated to have mobilised EUR 280 billion in investments, of which EUR 201 billion (nearly 70%) came from the private sector.

**The financial capacity of the InvestEU Fund should be increased** and used even more efficiently, in combination with the resources that will be available under the European Fund for Strategic Investment (EFSI) and other existing instruments implemented by the EIB Group.

CONTENT: the Commission proposes to make a legislative amendment to the InvestEU Regulation to enable more efficient use of existing resources by:

- (1) **increasing the amount of the EU guarantee by EUR 2.5 billion**, which will support the mobilisation of around EUR 25 billion of additional private and public investment;
- (2) facilitating the combined use of the InvestEU Guarantee and existing capacities available under three existing programmes (the EFSI, the CEF Debt Instrument and the InnovFin Debt Facility) to support new InvestEU financing and investment operations;

- (3) offering the possibility to Member States to contribute in full to a financial instrument;
- (4) **simplifying** reporting and administrative requirements for implementing partners, financial intermediaries and final beneficiaries, including SMEs. The proposed simplification measures are expected to generate EUR 350 million in cost savings.

By streamlining the programmes' operations, the Commission expects to **unlock around EUR 50 billion of public and private investment**. The increased capacity of InvestEU will mainly be used to finance more innovative activities in support of priority policies, boosting growth and innovation in key sectors such as clean technologies, digital frontiers, sustainable infrastructure, as well as potential new initiatives in areas such as defence industrial policy, including space assets, dual-use activities or military mobility.