EIB Investment Report 2020/2021: Building a smart and green Europe in the COVID-19 era

The Investment Report, issued annually by the European Investment Bank, provides a comprehensive overview and analysis of investment and the financing of investment in the European Union.

The report builds on a unique set of databases and survey data, including EIBIS, an annual survey of 12,500 firms in Europe. It provides critical inputs to policy debates on the need for public action on investment, and on the types of intervention that can have the greatest impact.

This year’s report

Europe faces a choice. The recovery from the coronavirus pandemic provides a unique opportunity for transformation.

- It is an opportunity to embark on the innovative retooling needed to thrive in the new, more digital world created by the pandemic, while also limiting climate change and preparing for its impact.
- It is an opportunity to set Europe firmly on a path to carbon neutrality by 2050 and shore up its global leadership in smart-green technology.
- It is an opportunity to repair the damage wrought by the pandemic and to strengthen social cohesion.

Yet there is also a serious risk. The uncertainties and financial strains created by the pandemic could keep the EU economy from embarking on the necessary transformation. The dangers are numerous:

- Massive public spending could be too untargeted.
- Europe could fall behind the new wave of digitalisation.
- It could loses the advantages of its current leadership in green technology.

Failing to live up to these challenges means more than just a longer recovery. It means that Europe’s sustainability, competitiveness and prosperity might be impaired for decades to come.

This report is about the investment needed to achieve the smart and green transformation of the European economy.

- It is about progress so far – the fallout from the pandemic and what is needed to get back on track.
- It examines the state of investment and investment finance for climate change mitigation and for the adoption of digital technologies.
- It looks at how Europe is positioned at the critical intersection of green and digital innovation, the role of investment by municipalities, and the risks and opportunities of the twin digital and green transition for social cohesion.

Throughout, the report examines the latest impact of the coronavirus pandemic and the urgent policy response needed.