

Prepared by DigitalTrade4.EU

# Feedback on Proposal to Amend InvestEU Regulation for Efficiency and Reporting Simplification

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# About Us

The **DigitalTrade4.EU consortium** envisions a **seamlessly interconnected Europe** and **neighbouring regions** powered by harmonized standards for the digitalisation of trade documents and processes. By fostering the digital transformation of trade, we aim to promote economic integration, enhance cooperation, and ensure long-term trade facilitation across borders.

Our consortium is made up of **experts in their field**, including **107 full partners**—trade associations, logistics providers, shipping lines, banks and insurances, technology innovators, etc.—**from 17 European Union countries** (*France, Belgium, Netherlands, Austria, Estonia, Finland, Italy, Latvia, Spain, Germany, Sweden, Poland, Luxembourg, Lithuania, Slovenia, Denmark, Bulgaria*) and **22 non-EU countries** (*United Kingdom, Switzerland, Montenegro, Japan, Singapore, Hong Kong, Australia, New Zealand, India, Nepal, Canada, United States of America, Cameroon, Morocco, Egypt, Kenya, Pakistan, Nigeria, Brazil, Uzbekistan, Turkey, Ukraine*).

Our consortium is already **aligned with the fundamentals of the EU Competitiveness Compass**. Learn more:

- How DigitalTrade4.EU Can Help Achieve the Objectives of the EU Competitiveness Compass (February 2025)

<https://www.digitaltrade4.eu/how-digitaltrade4-eu-can-help-achieve-the-objectives-of-the-eu-competitiveness-compass/>

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# Introduction

The DigitalTrade4.EU consortium, representing a broad coalition of over 100 partners dedicated to fostering a seamless digital single market, has reviewed the Commission's proposal COM(2025) 84 final. We **welcome the initiative** to increase the efficiency of the EU guarantee under the InvestEU Programme and to top it up using reflows from previous instruments. This rightly acknowledges the programme's success in mobilising investment for the Union's strategic priorities.

We strongly agree with the proposal's stated context: the urgent need to invest in key technologies and sectors to drive the Union's growth and competitiveness, as outlined in the **Competitiveness Compass**<sup>1</sup> and the vision for a **Clean Industrial Deal**<sup>2</sup>.

However, we must express our significant concern regarding the proposal's assessment in Section 4.1 that it has "**no requirement of digital relevance.**" This represents a **critical oversight** and a missed opportunity to align the Union's most powerful investment tool with its foundational **twin green and digital transitions**. To truly enhance competitiveness and reduce long-term administrative burdens, the "how" of investment is as important as the "what."

This feedback provides concrete suggestions on how to integrate a much-needed digital dimension into the InvestEU framework, thereby maximizing the impact of the increased funding.

*This document is part of the **DigitalTrade4.EU** input to the **European Commission** regarding the **International Digital Strategy**<sup>3</sup>, the **Multiannual Financial Framework (MFF)**<sup>4</sup>, and other relevant legislative initiatives under the EU's broader digital and industrial strategy.*

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<sup>1</sup> European Union. Competitiveness compass (January 2025)

[https://commission.europa.eu/topics/eu-competitiveness/competitiveness-compass\\_en](https://commission.europa.eu/topics/eu-competitiveness/competitiveness-compass_en)

<sup>2</sup> European Commission. Clean Industrial Deal (February 2025)

[https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal\\_en](https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal_en)

<sup>3</sup> European Commission. International Digital Strategy, Call for evidence

[https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14589-International-Digital-Strategy\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14589-International-Digital-Strategy_en)

<sup>4</sup> European Commission. EU's next long-term budget (MFF) – implementing EU funding with Member States and regions, Public Consultation

[https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14520-EUs-next-long-term-budget-MFF-implementing-EU-funding-with-Member-States-and-regions\\_en](https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14520-EUs-next-long-term-budget-MFF-implementing-EU-funding-with-Member-States-and-regions_en)

# The Missed Opportunity: Integrating the Digital Dimension into Investment

While the explanatory memorandum rightly promotes clean tech and circular business models, it overlooks the fact that **these models depend fundamentally on robust data systems, transparency, and traceability to be effective and credible**. Yet, these very business models are fundamentally reliant on data, transparency, and traceability to function effectively and credibly. A circular economy cannot operate without knowing the composition, history, and location of products and materials.

The assertion that the proposal has "no digital relevance" because it uses existing reporting systems misses the larger point: these **existing systems must be modernized**. The InvestEU Programme is the ideal vehicle to drive this modernization.

By failing to link InvestEU financing to the adoption of digital tools, the EU risks investing in projects that will soon be outdated or will struggle to comply with a wave of new EU legislation. This includes the **Corporate Sustainability Reporting Directive (CSRD)**, the **Carbon Border Adjustment Mechanism (CBAM)**, and sector-specific rules like the **Battery Regulation**, all of which demand unprecedented levels of data transparency.

The **Digital Product Passport (DPP)**, as a core component of the European Data Strategy and the Single Market for Digital Services, offers a scalable foundation for integrating product-level data across sectors such as batteries, textiles, construction, and electronics. As outlined in our consortium's strategic recommendations, the DPP serves as a crucial enabler for:

- **Supply Chain Transparency:** Providing verifiable data on a product's origin, sustainability credentials, and compliance with EU standards.
- **Circular Economy:** Enabling businesses to track products, manage returns, and facilitate reuse, remanufacturing, and recycling.
- **Reduced Administrative Burden:** Creating a **single source of truth** that can be used to automate compliance with multiple reporting obligations.

By making the implementation of such digital tools a favourable criterion for receiving InvestEU support, the Commission would create a powerful incentive for industry to accelerate its digital transformation, making European companies more resilient, efficient, and competitive globally.

# Specific Recommendations for Legislative Text

To remedy this oversight, we urge the Commission to introduce a digital dimension directly into the legislative framework of the InvestEU Programme. We propose targeted amendments to the original **InvestEU Regulation (EU) 2021/523**.

**We recommend amending Article 8(2) on 'Investment Guidelines' by inserting a new subparagraph:**

*Financing and investment operations shall, where relevant, prioritise projects that contribute to the **twin green and digital transitions** of the Union. Particular priority shall be given to operations supporting economic operators who implement **interoperable digital solutions**, such as the **Digital Product Passport**, to ensure traceability, sustainability, and circularity of products and supply chains, and to enable **automated compliance** with Union reporting obligations.*

**Furthermore, we recommend amending Article 29 on 'Reporting' by adding a new paragraph:**

*The Commission's annual report to the European Parliament and Council shall include a dedicated section on the contribution of the InvestEU Fund to the digital transition. It shall report on the extent to which financing and investment operations have supported the adoption of **interoperable digital technologies for sustainability and compliance**, and provide data on the number and value of projects supported that feature integrated **Digital Product Passports** or similar systems for supply chain transparency.*

**Justification:** These amendments would transform InvestEU from a purely financial instrument into a **strategic driver of the Union's digital and green ambitions**. They would provide the InvestEU Steering Board and implementing partners with a clear mandate to seek out and favour projects that are fit for the future. Most importantly, this approach would ensure that the increased EU guarantee is not just spent, but **invested strategically** to build a more competitive, resilient, and digitally advanced European industrial base.

# A Coherent Vision for EU Funding

The proposal to increase the InvestEU guarantee should be seen as one part of a broader funding strategy. While InvestEU provides crucial risk-sharing for large-scale investment, it should be complemented by targeted grants from other **Multiannual Financial Framework (MFF)** programmes to build the foundational digital infrastructure.

As outlined in our consortium's input, we recommend (amounts are estimated and subject to further analysis):

- **~€2 billion under NDICI-Global Europe:** To fund the creation of **secure digital trade corridors** with key international partners, ensuring the interoperability of EU digital systems like the DPP.
- **~€800 million through the COSME programme:** To support and **upskill SMEs**, ensuring they have the capacity to adopt these digital tools and participate in modern, transparent supply chains.
- **~€500 million for pilot projects:** To accelerate the harmonisation of digital standards and ensure alignment with global frameworks like the **UNCITRAL Model Law on Electronic Transferable Records (MLETR)** and the EU's own **eIDAS 2.0**.

## Conclusion

The DigitalTrade4.EU consortium strongly supports the Commission's intent to bolster the InvestEU Programme. However, we urge the Commission to be more ambitious. Simply adding funds to the existing framework without upgrading its strategic direction is a significant missed opportunity.

In doing so, the Commission would also **reinforce** the objectives of the **European Digital Compass**, the **Industrial Strategy for the Digital Age**, and the **Trade and Investment Strategy for a Globally Competitive Europe**. This will truly achieve the goal of making business easier and more sustainable in the long run.

We stand ready to collaborate with the Commission to refine these proposals and help build a future-proof framework for European investment.