

# European Fund for Strategic Investments (EFSI)

2015/0009(COD) - 23/04/2015 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets and the Committee on Economic and Monetary Affairs adopted the report by José Manuel FERNANDES (EPP, PT) and Udo BULLMANN (S&D, DE) on the proposal for a regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013.

The Committee on Industry, Research and Energy and the Committee on Transport and Tourism, exercising their prerogatives as associated committees under [Article 54](#) of the Parliament's internal Rules of Procedure, were also consulted for an opinion on the report.

The committee recommended that the European Parliament's position adopted at first reading following the ordinary legislative procedure should amend the Commission proposal as follows:

**European Fund for Strategic Investments (EFSI):** the EFSI should be part of a **comprehensive approach** to address uncertainty surrounding public and private investments and to reduce the investment gaps in the Union. The strategy should boost competitiveness and economic recovery and should be complementary to the objective of economic, social and territorial cohesion across the Union.

The EFSI, strengthened by Member State contributions, must be a **complement** to an overall strategy to improve Union competitiveness and attract investment.

The Commission shall **negotiate a draft agreement with the European Investment Bank (EIB)** on the establishment of a European Fund for Strategic Investments ('EFSI') in line with the requirements of this Regulation.

The purpose of the EFSI shall be to **support investments in the Union** and to ensure increased access to financing for companies having up to 3000 employees, **giving priority to small and medium enterprises and small mid-cap companies**, through the supply of risk bearing capacity to the EIB.

The EFSI Agreement shall be open to accession by Member States and third parties, including national and regional promotional banks or public agencies owned or controlled by Member States, regional authorities, dedicated investments platforms, and private sector entities. Neither Member States nor third parties shall be entitled to be a member of the Steering Board.

**The EFSI Agreement** shall contain, inter alia:

- detailed requirements for EIB financing and investment operations and EIB funding to the EIF which are eligible for the EU guarantee;
- a scoreboard of the key performance indicators to be used for assessing the macroeconomic impact of EFSI investments;
- the procedure for project selection;
- provisions on the intellectual property of the funded projects.

**Governance of the EFSI:** The EFSI Agreement shall provide that the EFSI shall be governed by a Steering Board, which shall determine the strategic orientation in line with the Europe 2020 objectives and giving particular regard to where the **impact on growth and jobs is highest**, in order to ensure the additionality of the investments supported by the EFSI guarantee.

**The Steering Committee:** (i) shall specify the investment policy regarding eligible investment platforms; (ii) shall determine the EU guarantee pricing policies; (iii) shall adopt investment guidelines for the use of the EU guarantee to be implemented by the Investment Committee.

**The Investment Committee** shall be composed of eight independent experts and the Managing Director. It shall be appointed by the Steering Board for a renewable fixed term of three years and not exceeding six years in total. It shall have a pluridisciplinary composition encompassing a broad range of expertise in various sectors and of geographic markets within the Union.

**EU Guarantee:** the Union shall provide an **irrevocable and unconditional** guarantee to the EIB for financing or investment operations covered by this Regulation and the EFSI Agreement and carried out within the Union. The operations concerned shall be consistent with Union policies and support any of the following **general objectives**:

- development of new, existing or missing transport infrastructure and innovative technologies, in accordance with the [connecting Europe facility](#) and [TEN-T Guidelines](#);
- development of **smart and sustainable urban mobility projects**;
- development and modernisation of **energy infrastructure** in particular interconnections, smart grids at distribution level, energy storage and the synchronisation of markets;
- **energy efficiency** and energy savings, with a particular focus on reducing demand through demand-side management and the refurbishment of buildings;
- development of **information and communication technologies**, of digital and telecom infrastructures and of broadband networks across the entire Union;
- investment in: (i) innovation, research and development; (ii) education, training, entrepreneurial skills; (iii) innovative health solutions, such as eHealth and new effective medicines, and in the social sector; (iv) cultural and creative industries; (v) investment in projects and infrastructure in the field of environmental protection and management;
- financial support, including the provision of working capital risk financing for SMEs and start-ups.

The EFSI should **target projects with a higher risk-return profile** than existing EIB and Union instruments. It shall support projects which are **viable from an economic perspective**, according to a cost benefit analysis following European standards.

**EU Guarantee Fund:** the target amount shall initially be met by **2022** at the latest through the gradual payment of resources. The necessary appropriations to meet the initial target amount shall be **gradually authorised by the European Parliament and the Council** in the framework of the annual budgetary procedure.

In this context, the European Parliament and the Council shall explore ways to finance the EU Guarantee Fund using any unforeseen revenue arising during the course of each financial year.

**European Investment Advisory Hub:** the EFSI Agreement shall provide for the creation of the EIAH within the EIB. The EIAH shall have as its objective to build upon existing EIB and Commission advisory services in order to provide advisory support for investment project identification, preparation and development, and to act as a single technical advisory hub for project financing within the Union.

The EIAH shall be partially financed by the Union up to a maximum amount of **EUR 20 million per year** during the period ending on 31 December 2020 for the additional services provided for by the EIAH over existing EIB technical assistance.

The Commission and the EIB shall create a **transparent directory** of current and potential future investment projects in the Union.

**Accountability:** at the request of the European Parliament, the Chairperson of the Steering Board and the Managing Director shall participate in a **hearing of the European Parliament** on the performance of the EFSI. **The President of the EIB** shall participate in a **hearing of the European Parliament** that concerns EIB financing and investment operations under this Regulation. An agreement shall be concluded between the European Parliament and the EIB on the detailed arrangements for the exchange of information between the European Parliament and the EIB.