





















Procedure file

Basic information	
<p>COD - Ordinary legislative procedure (ex-codecision procedure) 2016/0276(COD) Regulation</p>	<p>Procedure completed</p>
<p>European Fund for Strategic Investments: extension of duration; technical enhancements for the Fund and the European Investment Advisory Hub</p> <p>Amending Regulation (EU) No 1316/2013 2011/0302(COD) Amending Regulation (EU) 2015/1017 2015/0009(COD)</p> <p>Subject 2.50.03 Securities and financial markets, stock exchange, CIUTS, investments 4.70.01 Structural funds, investment funds in general, programmes</p> <p>Legislative priorities Joint Declaration 2017</p>	

Key players				
European Parliament	Joint Committee Responsible	Rapporteur	Appointed	
	BUDG Budgets		26/01/2017	
	Economic and Monetary Affairs		26/01/2017	
		 FERNANDES José Manuel		
		 BULLMANN Udo		
		Shadow rapporteur		
		 KARAS Othmar		
		 GARDIAZABAL RUBIAL Eider		
		 KÖLMEL Bernd		
		 LOONES Sander		
		 TORVALDS Nils		
		 TREMOSA I BALCELLS Ramon		
		 EICKHOUT Bas		
	 SOLÉ Jordi			
	 VALLI Marco			

		 KAPPEL Barbara	
		 ZANNI Marco	
	ECON Budgets Economic and Monetary Affairs		
	Committee for opinion	Rapporteur for opinion	Appointed
	CONT Budgetary Control		21/11/2016
		 TAKKULA Hannu	
	EMPL Employment and Social Affairs		23/11/2016
		 HETMAN Krzysztof	
	ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
	ITRE Industry, Research and Energy (Associated committee)		16/11/2016
		 KAILI Eva	
	TRAN Transport and Tourism (Associated committee)		25/10/2016
		 AYALA SENDER Inés	
	REGI Regional Development		11/10/2016
		 BRESSO Mercedes	
	AGRI Agriculture and Rural Development	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Agriculture and Fisheries	3586	12/12/2017
European Commission	Commission DG	Commissioner	
	Economic and Financial Affairs	MOSCOVICI Pierre	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
14/09/2016	Legislative proposal published	COM(2016)0597	Summary
03/10/2016	Committee referral announced in Parliament, 1st reading		
19/01/2017	Referral to associated committees announced in Parliament		
19/01/2017	Referral to joint committee announced in Parliament		

15/05/2017	Vote in committee, 1st reading		
15/05/2017	Committee report tabled for plenary, 1st reading	A8-0198/2017	Summary
15/05/2017	Committee decision to open interinstitutional negotiations with report adopted in committee		
16/05/2017	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
18/05/2017	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
23/11/2017	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE613.384 GEDA/A/(2017)010185	
12/12/2017	Results of vote in Parliament		
12/12/2017	Debate in Parliament		
12/12/2017	Decision by Parliament, 1st reading	T8-0478/2017	Summary
12/12/2017	Act adopted by Council after Parliament's 1st reading		
13/12/2017	Final act signed		
13/12/2017	End of procedure in Parliament		
27/12/2017	Final act published in Official Journal		

Technical information

Procedure reference	2016/0276(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation (EU) No 1316/2013 2011/0302(COD) Amending Regulation (EU) 2015/1017 2015/0009(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 172; Rules of Procedure EP 59; Treaty on the Functioning of the EU TFEU 182-p1; Treaty on the Functioning of the EU TFEU 175-p3; Treaty on the Functioning of the EU TFEU 173-p3
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	CJ16/8/08950

Documentation gateway

Legislative proposal		COM(2016)0597	14/09/2016	EC	Summary
Document attached to the procedure		COM(2016)0603	14/09/2016	EC	
Document attached to the procedure		SWD(2016)0299	14/09/2016	EC	

Document attached to the procedure		SWD(2016)0297	14/09/2016	EC	
Document attached to the procedure		SWD(2016)0298	14/09/2016	EC	
Court of Auditors: opinion, report		N8-0142/2016 OJ C 465 13.12.2016, p. 0001	11/11/2016	CofA	Summary
Committee of the Regions: opinion		CDR5690/2016	07/12/2016	CofR	
Committee opinion	EMPL	PE594.189	02/03/2017	EP	
Committee draft report		PE597.638	13/03/2017	EP	
Amendments tabled in committee		PE602.737	27/03/2017	EP	
Amendments tabled in committee		PE602.738	27/03/2017	EP	
Committee opinion	TRAN	PE593.810	28/03/2017	EP	
Committee opinion	REGI	PE595.749	28/03/2017	EP	
Committee opinion	ITRE	PE597.734	03/04/2017	EP	
Committee opinion	CONT	PE599.625	12/04/2017	EP	
Committee report tabled for plenary, 1st reading/single reading		A8-0198/2017	15/05/2017	EP	Summary
Coreper letter confirming interinstitutional agreement		GEDA/A/(2017)010185	08/11/2017	CSL	
Text agreed during interinstitutional negotiations		PE613.384	08/11/2017	EP	
Text adopted by Parliament, 1st reading/single reading		T8-0478/2017	12/12/2017	EP	Summary
Draft final act		00058/2017/LEX	13/12/2017	CSL	
Commission response to text adopted in plenary		SP(2018)32	24/01/2018	EC	

Additional information

Research document

[Briefing](#)

Final act

[Regulation 2017/2396](#)

[OJ L 345 27.12.2017, p. 0034](#) Summary

[Corrigendum to final act 32017R2396R\(01\)](#)

[OJ L 127 23.05.2018, p. 0007-0008](#)

Final legislative act with provisions for delegated acts

European Fund for Strategic Investments: extension of duration; technical enhancements for the Fund and the European Investment Advisory Hub

PURPOSE: to extend the duration of the European Fund for Strategic Investments and introduce technical enhancements for that Fund and the European Investment Advisory Hub (EIAH).

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 Council.

BACKGROUND: since the [Investment Plan for Europe](#) was presented in November 2014, the conditions for an uptake in investment have

improved and confidence in Europe's economy and growth are returning. The Union is now in its fourth year of moderate recovery, with GDP growing at 2% in 2015.

The EFSI implemented and co-sponsored by the European Investment Bank (EIB) Group - was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in additional investments in the real economy by mid-2018. Given its success, the Commission is committed to the doubling of the EFSI, both in terms of duration and financial capacity.

The Commission feels that the positive momentum generated by the Investment Plan should be maintained. The mechanisms of the Investment Plan work and should be reinforced to continue the mobilisation of private investments in sectors important to Europe's future and where market failures or sub-optimal investment situations remain.

The proposal takes place in the context of the Commission communication of 1 June 2016 entitled [Europe investing again taking stock of the Investment Plan for Europe and next steps](#), which outlines the achievements so far and the next steps envisaged, including the extension of the duration of the EFSI beyond its initial three-year period, the scaling-up of the SME window within the existing framework and the enhancement of the EIAH.

CONTENT: the proposal to amend [Regulation \(EU\) 2015/1017](#) establishes the legislative framework needed to extend the duration of the EFSI until the end of the current Multiannual Financial Framework, and sets out technical amendments to the EIAH. It includes the following points:

1) Financing:

- the extension of the duration of the EFSI until the end of the current Multiannual Financial Framework, i.e. until 31 December 2020, with a view to reaching a target for the full investment period of at least EUR 500 billion of private and public investment;
- the increase of the EU guarantee to EUR 26 billion, of which a maximum of EUR 16 billion are available for guarantee calls prior to 6 July 2018;
- an adjustment of the target rate of the EU guarantee fund to 35 % of total EU guarantee obligation;
- the increase of the EIB contribution from EUR 5 billion to EUR 7.5 billion for the full investment period;
- a further contribution from the general budget of the Union to the EU guarantee fund for the investments to be made during the full investment period through a transfer of EUR 500 million of the available envelope of the Connecting Europe Facility for financial instruments and EUR 150 million from the unallocated margin;
- an estimated EUR 450 million of net positive income from costs charged to beneficiaries and the investment of the guarantee fund's resources will be used to build up the guarantee fund.

2) Governance and project selection:

-enhanced additionality: the proposal includes provisions whereby operations under the EFSI have to address clearly identified market failures or sub-optimal investment situations as part of the eligibility criteria. Projects under the Infrastructure and Innovation window linking two or more Member States must satisfy the additionality requirement;

-support for investments generating growth : the proposal involves:

- an additional focus on projects that contribute to achieving the Union's ambitious targets set at the Paris Climate Conference (COP21);
- targeting energy interconnection priority projects and energy efficiency projects;
- the explicit inclusion of agriculture, fishery and aquaculture in the general objectives eligible for EFSI support;
- gearing a larger share of financing towards SMEs given the exceptional market demand for SME financing under the EFSI: 40% of the increase of the EFSI's risk-bearing capacity should be geared towards increasing access to financing for SMEs.

In addition, the proposal provides that EFSI support to motorways should be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country.

3) Transparency: the proposal provides for:

- the requirement that the Investment Committee of the EFSI explain in its decisions, which are made public and accessible, the reasons why it deems that a certain operation should be granted the EU guarantee ;
- the publication of the scoreboard of indicators once an operation under the EU guarantee is signed ;
- an obligation for the EIB and the EIF to inform the final beneficiaries, including SMEs, of the existence of EFSI support.

The proposal also includes provisions strengthening compliance with Union principles on good governance relating to taxation, and the coverage of losses due to exchange rate fluctuations in certain situations.

4) European Investment Advisory Hub: the proposal provides for:

- more targeted technical assistance services for projects involving several Member States, for projects that contribute to reaching the objectives of COP21, for digital infrastructures and for the combination of other sources of Union funding with the EFSI, such as the European Structural and Investment Funds (ESIF), Horizon 2020 and the Connecting Europe Facility;
- the active contribution of the EIAH to the objective of sectorial and geographical diversification of the EFSI, by supporting the EIB to originate projects where needed.

BUDGETARY IMPLICATIONS: the EU guarantee provided for the EFSI will be increased from EUR 16 billion to EUR 26 billion. Out of the EUR 26 billion, a maximum of EUR 16 billion will be available for guarantee calls prior to 6 July 2018. To provide a guarantee of EUR 26 billion over the full investment period, the guarantee fund should be increased by EUR 1.1 billion, thus reaching EUR 9.1 billion in total.

- Payments into the guarantee fund will amount to: EUR 500 million in 2016, EUR 2.3 billion in 2017, EUR 1.6 billion in 2018, EUR 1.4 billion in 2019, EUR 2.0 billion in 2020, EUR 450 million in 2021 and EUR 400 million in 2022.
- Commitment appropriations will amount to: EUR 1.35 billion in 2015, EUR 2.104 billion in 2016, EUR 2.641 billion in 2017, EUR 2.010 billion in 2018, EUR 167 million in 2019 and EUR 378 million in 2020.

The reallocation from the Connecting Europe Facility requires an amendment of Article 5 of [Regulation \(EU\) 1316/2013](#). The financial envelopes for the transport sector and the energy sector laid down in Article 5 should be reduced by respectively EUR 155 million and EUR 345 million.

European Fund for Strategic Investments: extension of duration; technical enhancements for the Fund and the European Investment Advisory Hub

The Court of Auditors of the European Union presented an opinion on the Commission legislative proposal of 14 September 2016 seeking to amend the existing EFSI Regulation with a view to extending the duration of the EFSI and increasing the EU budget guarantee to the European Investment Bank (EIB).

The main observations made by the Court are as follows:

The evidence base for the proposal is limited: the Court stated that it is too soon to propose an increase in the EU budget guarantee. The Commission submitted the proposal for the extension of EFSI just 1 year after its launch. There is little evidence that the proposed increase of the EU guarantee is justified other than for the SME window.

The EIB data and estimates indicate that the current guarantee is sufficient for a further period of operation for the Infrastructure and Innovation window, in which a review of the performance and added-value of EFSI, as established by the co-legislators, could be completed. This could also help reduce the fragmentation and overlaps between EFSI and other financial instruments and allow for a better focus on EU priorities. The proposed extra period for signing operations (2 years) is not in line with the current practice

The Guarantee Evaluation do not respect the better regulation principles: the proposal was launched without a comprehensive impact assessment and too soon for the economic, social and environmental impact of EFSI to be measured and to enable a conclusion whether EFSI is achieving its objectives. None of the evaluations carried out by the Commission and the EIB assesses the outcomes and the impact of EFSI, as insufficient time has passed to allow these to be identified and/ or measured. Because of the timing there are few, if any, macroeconomic indicators available to measure the impact of EFSI.

The proposed provisioning of the Guarantee Fund is in line with the updated estimate of expected losses: the creation of the EFSI and of the Guarantee Fund with a 50 % target rate has limited the budgetary flexibility in the 2014-2020 MFF by reducing the unallocated margins under the MFF expenditure ceiling. In addition, the planned budgets for Horizon 2020 and CEF have been reduced. It is too soon to assess the opportunity cost of these cuts agreed in 2015, as the Commission is not yet in a position to assess the impact of EFSI, Horizon 2020 or the CEF.

With the proposed changes, the total potential liability for the EU budget will reach EUR 26 billion (of which around EUR 9 billion to be covered by the Guarantee Fund). Potential liabilities will persist over the lifetime of the investment portfolio.

The impact of EFSI risks being exaggerated: the Court stated that the risk is that the multiplier effect of EFSI is overstated, particularly for the investment projects to which investors committed or which are part of national programmes that existed or were announced even before EFSI was launched. It proposed further developing the methodology to cover financing structures and products which were not in place when the current methodology was established, and using the new methodology to produce the key performance indicator for EFSI showing the private capital attracted.

The Court stressed that there is a risk that the EIB's use of Special Activity status as effectively equivalent to additionality, combined with the pressure to reach the investment target, may create an incentive to use unnecessarily complex financing structures or to allocate a risk profile that does not correspond to the real risk of the operation. It proposed to: (i) make clear that all EFSI supported projects should meet the additionality criteria in the definition of additionality and that the basis for this assessment should be documented; (ii) keep the definition of additionality simple and general by avoiding references to specific cases such as physical infrastructure.

Governance and transparency: the Court noted that there is room to clarify and improve a number of aspects of EFSI governance and transparency. It stressed the need to:

- address the geographical and sectorial imbalances on the use of funds;
- clarify the application of State aid rules for projects combining finance from EFSI and structural funds;
- clarify the governance structure: the roles and responsibilities of the EFSI's governing bodies should be further clarified and streamlined as they are complex.

Selection of EFSI operations should be more transparent: the Court welcomed the proposals that: (i) the EFSI Investment Committee's decisions should provide the reasons for granting support under the EU guarantee with particular focus on compliance with the additionality criterion; (ii) the scoreboards for the EFSI operations under the EU guarantee (96) should be published as soon as they are signed.

European Fund for Strategic Investments: extension of duration; technical enhancements for the Fund and the European Investment Advisory Hub

The Committee on Budgets and the Committee on Economic and Monetary Affairs adopted the report prepared 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 amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub.

The committees recommended that the European Parliaments position adopted at first reading, following the ordinary legislative procedure, should amend the Commission proposal as follows:

Additionality: the amended text stressed that the drive to meet the quantitative target of mobilising at least EUR 315 billion in investments over an initial period of three years should not prevail over the additionality of the projects selected.

The following elements give strong indication of additionality:

- projects that carry a risk corresponding to EIB special activities, as defined in Article 16 of the EIB Statute and by the credit risk policy guidelines of the EIB, especially if such projects are located in less developed and transition regions;
- projects that consist of infrastructure linking two or more Member States or of the extension of infrastructure or services linked to infrastructure from one Member State to one or more Member States.

Pricing: under circumstances where tighter economic and financial market conditions would prevent the realisation of a viable project, the pricing of the guarantee shall be modulated in order to promote geographic and regional balance of EFSI-backed operations and to address market failures.

Financing: the Commission proposal stated that it is expected that when the EU guarantee is combined with the EUR 7.5 billion to be provided by the EIB, the EFSI support should generate EUR 100 billion additional investment by the EIB and EIF. The amount supported by the EFSI is expected to generate at least EUR 500 billion of additional investment in the real economy by the end of 2020.

In order to partly finance the contribution from the general budget of the Union to the EU guarantee fund for the additional investments to be made, an amount of EUR 650 000 000 from unallocated margins under the 2014-2020 multiannual financial framework ceilings shall be earmarked for that purpose. This amount is to be authorised by the European Parliament and the Council through the annual budgetary procedure.

Conditions for the use of the EU guarantee: the Investment Committee shall be able to grant an appropriate part of the EU guarantee directly to investment platforms and national promotional banks or institutions and delegate thereafter the decision on the selection of projects to those entities.

The operations concerned are compatible with the Union policies and also support:

- the development of transport infrastructure and equipment and new technologies in the field of transport, in particular through rail infrastructure and other railway projects;
- the development and deployment of information and communication technologies, in particular through blockchain technology, internet of things, cybersecurity and network protection infrastructures;
- SMEs to overcome capital shortages in the sector of cultural and creative industries and target projects with a higher risk than the projects currently financed by the Creative Europe and the Guarantee Facility;
- sustainable agriculture, fishery, aquaculture and other bioeconomy and bioindustry sectors.

In order to achieve the Union targets set at the Paris Climate Conference (COP 21), the Steering Board should provide detailed guidance and assessment tools, in particular with regard to eligible projects.

Scoreboard: this shall be used as an independent and transparent assessment tool for the investment committee to prioritise the use of the EU guarantee for operations that display higher scores and added value. The EIB should calculate the scores and indicators ex ante and monitor the results at project completion.

European Investment Advisory Hub (EIAH): Members stressed that the EIAH should:

- address any shortcomings in the implementation of the EFSI. It should play an instrumental role in empowering project promoters to initiate and develop viable, sustainable and quality projects;
- supporting the preparation of projects involving two or more Member States or regions, and projects that contribute to achieving the objectives of the Europe 2020 strategy and COP21;
- complement the existing structures and overlaps in the services in the Member States should be avoided;
- ensure a strong local presence, conclude cooperation agreements with national promotional banks or institutions in each Member State, as well as facilitate Member States in the establishment of national promotional banks or institutions.

As regards post-2020, the Commission shall put forward a legislative proposal, under the new multiannual financial framework, on a comprehensive investment scheme to effectively address the lack of investment in the Union.

European Fund for Strategic Investments: extension of duration; technical enhancements for the Fund and the European Investment Advisory Hub

The European Parliament adopted by 502 votes to 125, with 19 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

Strengthening additionality: the amended text stressed that the drive to achieve the quantitative perspective to mobilise at least EUR 315 billion in additional investment over an initial period of three years shall not prevail over the additionality of the projects selected.

Additionality shall mean support by the EFSI for operations which address market failures or sub-optimal investment situations and which could not have been carried out during the period in which the EU guarantee can be used, or not to the same extent, by the EIB, the EIF or under existing Union financial instruments, without EFSI support.

Projects supported shall strive to create employment and sustainable growth and shall typically have a higher risk profile than projects supported by normal EIB operations.

The following elements are strong indications of additionality:

- projects that carry a risk corresponding to EIB special activities, as defined in Article 16 of the EIB Statute, especially if such projects

present country-, sector- or region-specific risks, in particular those experienced in less developed regions and transition regions and/or if such projects present risks associated with innovation;

- projects that consist of physical infrastructure, including infrastructure, linking two or more Member States or of the extension of such infrastructure or services linked to such infrastructure from one Member State to one or more Member States.

Reduce financing costs: the EIB and the Commission shall implement changes, in particular to the remuneration of the EU guarantee, to contribute to a reduction in the financing cost of the operation borne by the beneficiary of the EIB financing under EFSI so as to facilitate its implementation.

Similar efforts should be undertaken where necessary to ensure that EFSI supports small-scale projects.

Governance of EFSI: all institutions and bodies involved in EFSI governing structures shall endeavour to ensure gender balance in relevant EFSI governing bodies.

The Steering Committee shall comprise five members: three appointed by the Commission, one by the EIB and one expert appointed as a non-voting member by the European Parliament. The Steering Board shall elect a Chairperson from among its voting members for a fixed term of three years, renewable once.

The Managing Director shall exercise his or her duty of care regarding potential conflicts of interest of any member of the Investment Committee.

Twice a year, the EIB shall submit to the European Parliament, to the Council and to the Commission a list of all decisions of the Investment Committee as well as the scoreboards relating to all those decisions.

Conditions for the use of the EU guarantee: the EU guarantee shall be granted for EIB financing and investment operations approved by the Investment Committee or for funding or guarantees to the EIF in order to conduct EIB financing and investment operations. The EIB shall, where appropriate, delegate the appraisal, selection and monitoring of small-scale sub-projects to financial intermediaries or approved eligible vehicles, in particular investment platforms and national promotional banks or institutions.

The operations concerned shall be consistent with Union policies and support any of the following general objectives:

- railway infrastructure, other rail projects, and maritime ports;
- blockchain technology;
- internet of things;
- cybersecurity and network protection infrastructures;
- cultural and creative industries, for which sector-specific financial mechanisms are to be authorised in interaction with the Creative Europe Programme.

The amending Regulation provides that where the EIB provides funding or guarantees to the EIF in order to conduct EIB financing and investment operations, the EU guarantee shall provide for a full guarantee on such funding or guarantees up to an initial limit of EUR 6.5 billion, provided that an amount of at least EUR 4 billion of funding or guarantees is gradually provided by the EIB without coverage by the EU guarantee.

The limit of EUR 6.5 billion could be increased by the Steering Committee to a maximum of EUR 9 billion, without an obligation on the EIB to match the amounts above EUR 4 billion.

European Investment Advisory Platform (EIAH): in order for it to act as a single technical advisory hub for project financing within the Union, the amended text enhances the EIAH by stating that it should also:

- contribute to the sectoral and geographical diversification of the EFSI;
- support the EIB and national development banks or institutions in originating and developing operations, in particular in less developed regions and transition regions, and, where necessary, helping to structure demand for EFSI support;
- endeavour to conclude at least one cooperation agreement with a national promotional bank or institution per Member State;
- be present at the local level to provide tailor-made assistance on the ground.

Lastly, the EIB and the EIF shall not enter into new or renewed operations with entities incorporated or established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions, or that are identified as high-risk third countries, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information.

European Fund for Strategic Investments: extension of duration; technical enhancements for the Fund and the European Investment Advisory Hub

PURPOSE: to extend the duration of the European Fund for Strategic Investments and introduce technical enhancements for that Fund and the European Investment Advisory Hub (EIAH).

LEGISLATIVE ACT: Regulation (EU) 2017/2396 of the European Parliament and of the Council amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (EIAH).

CONTENT: the European Fund for Strategic Investments (EFSI) is the flagship initiative of the [Investment Plan for Europe](#) set up by the European Union. The EFSI was created for an initial period of three years with the aim of mobilising at least EUR 315 billion in investments, thus supporting the objective of promoting growth and jobs.

The EFSI, which is being implemented and co-sponsored by the European Investment Bank (EIB) Group, is on track to achieve its goal. In order to keep up the positive momentum launched by the investment plan, this Regulation amends [Regulation \(EU\) 2015/1017](#) in order to:

- extend the life of the EFSI until the end of the current multiannual financial framework to enable the mobilisation of at least EUR 500 billion of private and public investment by 2020;

- increase the EU guarantee to EUR 26 billion (of which EUR 16 billion will be available for guarantee calls prior to 6 July 2018);
- increase the EIB's contribution to EUR 7.5 billion for the full investment period;
- adjust the target rate of the EU guarantee fund to 35% of the total EU guarantee obligation, thus providing an adequate level of protection;
- provide for a transfer from the envelope allocated to the Connecting Europe Facility (CEF) provided for in [Regulation \(EU\) No 1316/2013](#), as well as from the receipts and repayments under the CEF's lending instrument and the 2020 European Fund for Energy, Climate Change and Infrastructure to partially finance the contribution from the EU's general budget to the EU Guarantee Fund for additional investments.

The Regulation also provides for a number of technical adjustments developed in the light of lessons learned from its implementation:

- Enhanced additionality: this is defined as EFSI support for operations that address market failures or non-optimal investment situations that could not have been achieved (or not at the same scale) by the European Investment Bank (EIB), the European Investment Fund (EIF) or the EUs existing financial instruments, without the support of the EFSI.
- Governance of the EFSI: the Steering Committee will consist of five members: three appointed by the Commission, one by the EIB and one expert appointed by the European Parliament who would be a non-voting member. The steering committee will take the utmost account of the positions of all its members and, in the event of differences, decisions will be taken unanimously by the voting members. Decisions approving the use of the EU guarantee will be made public and accessible.
- Addition of new sectors: the operations concerned will have to be compatible with EU policies and also support:
 - railway infrastructure, other rail projects and seaports;
 - blockchain technology;
 - the Internet of Things;
 - cybersecurity and network protection infrastructures;
 - the cultural and creative industries, for which the sector-specific financial mechanisms are to be authorised in interaction with the "Creative Europe" programme;
 - sustainable agriculture, forestry, fisheries, aquaculture and other aspects of the broader bioeconomy.

The EIB should aim to ensure that at least 40% of EFSI funding, under the Infrastructure and Innovation strand, supports project components that contribute to climate action, in line with the commitments made at the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21).

It is also planned to give a larger share of funding to SMEs.

European Investment Advisory Hub (EIAH): EFSI will provide more targeted support to Member States facing difficulties in developing projects. The EIAH will in particular:

- contribute to the sectoral and geographical diversification of the EFSI;
- assist the EIB and national development banks or institutions in initiating operations, particularly in the least developed regions and in the regions in transition;
- be available at local level to provide assistance tailored to the needs on the ground.

ENTRY INTO FORCE: 30.12.2017.