European Fund for Strategic Investments (EFSI)

2015/0009(COD) - 24/06/2015 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 464 votes to 131, with 19 abstentions, a legislative resolution 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 European Parliament adopted its position at first reading following the ordinary legislative procedure amending the Commission proposal as follows:

Subject matter: this Regulation establishes a European fund for strategic investments (EFSI), an EU guarantee and an EU guarantee fund. In addition, this Regulation establishes a European investment advisory hub (EIAH) and a European investment project portal (EIPP).

The EFSI should be part of a comprehensive strategy designed to address uncertainty surrounding public and private investments and to reduce the investment gaps in the Union.

It is expected that when the EU guarantee is combined with EUR 5 billion to be provided by the EIB, the EFSI support should generate EUR 60.8 billion of additional investment by the EIB and the EIF. The amount of EUR 60.8 billion supported by the EFSI is expected to further generate a total of EUR 315 billion.

The Commission and the EIB should conclude an agreement that specifies the conditions laid down in this Regulation for their management of the EFSI.

Purpose: the Commission shall conclude an agreement with the EIB on the management of the EFSI and on the granting of the EU guarantee, in accordance 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.

Eligibility criteria for the use of the EU guarantee: the EFSI Agreement shall provide that the EFSI is to support projects which:

- are economically viable according to a cost-benefit analysis following Union standards;
- are consistent with Union policies, including the objective of smart, sustainable and inclusive growth, quality job creation, and economic, social and territorial cohesion;
- provide additionality by targeting projects that have a higher risk profile than projects supported by EIB and the Union;
- maximise where possible the mobilisation of private sector capital;
- are technically viable.

Governance of the EFSI: the governance structure should be composed of a steering board, a managing director and an investment committee:

- the Steering Board - comprising four members, three appointed by the Commission and one by the EIB, should in particular set the strategic orientations of the EFSI and the rules necessary for its functioning. The Steering Board shall elect a Chairperson from among its members for a fixed term of three years, renewable once;
- the Managing Director should be responsible for the daily management of the EFSI and should carry out the preparatory work of the meetings of the Investment Committee. Following an open and transparent selection process in line with EIB procedures, the Steering Board shall select a candidate for each of the positions of Managing Director and Deputy Managing Director. The candidates should be approved by the European Parliament;
- the investment committee: it should take decisions on the use of the EU guarantee for potential projects and for the operations with national promotional banks or institutions or investment platforms in a transparent and independent manner. It should be composed of eight independent experts, representing a broad range of expertise as outlined in this Regulation, and the Managing Director. Decisions approving the use of the EU guarantee shall be public and accessible.

Strategic and productive investments: the purpose of the EFSI should be to help resolve the difficulties in financing and implementing strategic, transformative and productive investments with high economic, environmental and societal added value.

The EFSI should therefore support strategic investments such as projects of common interest which aim to:

- complete the internal market in the transport, telecommunications and energy infrastructure sectors, including transport and energy interconnections, and digital infrastructure;
- expand renewable energy and energy and resource efficiency;
- develop and modernise the energy sector in accordance with the Energy Union priorities, including security of energy supply;
- contribute to the sustainable development of those sectors and exploit potential synergies between them.

Those investments should also include:

- projects of common interest in the urban and rural development and social fields and in the environmental and natural resources fields;
- projects which strengthen the Union's scientific and technological base and foster benefits for society as well as better exploitation of the economic and industrial potential of policies of innovation,
- research and technological development, including research infrastructure, and pilot and demonstration facilities;
- projects relating to human capital, culture and health;

- environmentally sound projects and benefit industries and technologies with high growth potential and contribute to the transformation into a green, sustainable and resource-efficient economy.

Finance the contribution from the general budget of the Union: in order to partly finance the contribution from the general budget of the Union, the available envelopes of Horizon 2020 and of the Connecting Europe Facility, provided for in Regulation (EU) No 1316/2013, should be reduced by 2.2 billion and 2.8 billion respectively.

The financial envelope for the implementation of Horizon 2020 is set at EUR 74 828,3 million in current prices, of which a maximum of EUR 72 445,3 million shall be allocated to activities under Title XIX TFEU;

The financial envelope for the implementation of the CEF for the period 2014 to 2020 is set at EUR 30 442 259 000 in current prices.

European Investment Advisory Hub: a European investment advisory hub (EIAH) should be created. It should provide strengthened support for project development and preparation across the Union, by building on the expertise of the Commission, the EIB, national promotional banks or institutions and the managing authorities of the European Structural and Investment Funds. A single point of entry for questions relating to technical assistance for investments within the Union should be established.

European Investment Project Portal: the Commission, with the support of the EIB, shall create a transparent European investment project portal (EIPP) gathering current and future investment projects in the Union. It shall constitute a publicly accessible and user-friendly project database, providing relevant information for each project.

Accountability: the Commission shall, by 31 May of each year, submit to the European Parliament, to the Council and to the Court of Auditors an annual report on the management of the guarantee fund in the previous calendar year.

At the request of the European Parliament or of the Council, the Chairperson of the Steering Board and the Managing Director shall report on the performance of the EFSI to the requesting institution, including by participating in a hearing before the European Parliament.

At the request of the European Parliament, the President of the EIB shall participate in a hearing of the European Parliament that concerns EIB financing and investment operations covered by this Regulation.