

European Fund for Strategic Investments (EFSI)

2015/0009(COD) - 31/05/2016 - Follow-up document

In accordance with Regulation (EU) 2015/1017 of the European Parliament and of the Council, the Commission presents its annual report on the management of the Guarantee Fund of the European Fund for Strategic Investments (EFSI) in 2015.

The report contains the presentation of the financial position of the EFSIGF at the end of the previous calendar year, the financial flows during the previous calendar year as well as the significant transactions and any relevant information on the financial accounts. It also includes information about the financial management, the performance and the risk of the EFSIGF at the end of the previous calendar year.

To recall, the agreement on the management of the EFSI and on the granting of the EU guarantee was signed by the European Commission and the European Investment Bank (the EIB) on 22 July 2015.

The Guarantee Fund constitutes a liquidity cushion from which the EIB shall be paid in the event of a call on the EU guarantee. It is provisioned progressively taking into account the increase in exposure borne by the EU Guarantee. The resources of the Fund are directly managed by the Commission and invested in accordance with the principle of sound financial management following appropriate prudential rules.

The main findings of the report are as follows:

Financial accounts: there were no funds in the EFSIGF as at 31 December 2015. Consequently, the 2015 consolidated financial statements of the European Union do not contain the EFSIGF.

A receivable of EUR 1,399,423 corresponding to the net EU revenue stemming from the 2015 EFSI guaranteed operations was recorded in the 2015 financial statements of the EU and credited to the EFSI Account in January 2016.

The guarantee exposure of the EU in relation to disbursed outstanding EFSI operations amounted to EUR 201,899,614 as at 31 December 2015, out of the overall maximum amount of EUR 16,000,000,000 guaranteed by the EU. The amount of EUR 201,899,614 is recorded as a contingent liability in the notes to the 2015 financial statements of the EU.

Significant transactions: a budgetary appropriation of EUR 1.35 billion was committed in 2015 relating to the provisioning of the EFSIGF in 2016 and 2017.

Management of the Guarantee Fund: there were no funds in the EFSIGF at any time in 2015. The first report on the financial management, performance and risk of the assets of the EFSIGF will therefore be presented in 2017 for the year 2016.

Assessment of the level of the Fund: in 2015, total signatures under EFSI amounted to EUR 3 billion covering 19 Member States.

- As of end 2015, 10 operations benefitting from the EFSI guarantee were signed by the EIB, for a total amount of EUR 1155 million, of which EUR 202 million was disbursed. Should there be any losses due to these operations, these will be covered by the EU Guarantee in accordance with the terms set out in the EFSI Agreement.
- EIF operations signed in 2015 under EFSI guarantee coverage amount to around EUR 398 million; should there be any losses due to these operations, those would be covered primarily by the contributions of the InnovFin SME Guarantee Facility and the [COSME Loan Guarantee Facility](#).

Target amount: given the relatively limited level of signatures and disbursements until the end of 2015, there are not sufficient elements allowing an assessment of the adequacy of the target amount based on actual operations. The first report on the assessment of the adequacy of the target amount and the level of the EFSI Guarantee Fund will therefore be presented by 31 May 2017 for the year 2016.

It is presently envisaged in the EU budget that around EUR 500 million will be paid into the EFSIGF during the course of 2016.