

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

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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.