

**Question for written answer E-004864/2016
to the Commission**

Rule 130

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Subject: Combining ESI funds with EFSI

The establishment of EFSI was justified by the need to promote investment in the EU, create a guarantee for EU projects with a higher risk profile and supply risk-bearing capacity. The Commission confirmed in its communication that 'the EFSI will - as a rule - provide the riskier tranche of the investment [...] ("first loss protection")'.

On 22 February 2016, the Commission published guidelines on combining EFSI with ESI funds. Annex 3 stipulates, however, that the first-loss-piece, which is the highest risk-taking tranche, is to be financed by ESI Funds.

Vice-President Katainen confirmed on 24 May 2016 in the European Parliament that support from ESI funds may allow EFSI to take a higher risk, thereby turning the initial rationale of EFSI upside-down.

Can the Commission explain the lack of coherence in its approach concerning the risk-taking tranche and why it will not be covered by EFSI?

How will the Commission solve the contradiction on the first-loss-piece in order to provide for legal certainty, in particular for the use of ESI Funds?

How will the Commission assess in its reporting the risk-profile of the EFSI if the intention is that the first-loss-piece is not borne by EFSI but by ESI Funds?