



**2016/2064(INI)**

31.1.2017

# **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Budgets and the Committee on Economic and Monetary Affairs

on the implementation of the European Fund for Strategic Investments  
(2016/2064(INI))

Rapporteur: Romana Tomc

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## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to incorporate the following suggestions into their motion for a resolution:

1. Believes that the main aim of projects financed under the European Fund for Strategic Investments (EFSI) should be to create sustainable growth and a labour market able to offer quality jobs in Europe and hence to enhance the well-being of EU citizens, social cohesion and inclusion; welcomes, therefore, the fact that the fund has already helped to afford better access to financing;
2. Recalls that EFSI aims to fill existing gaps and suboptimal investment situations in the EU by using public funds in order to increase the availability of risk financing, as well as to mobilise private capital and ensure that the investments reach the real economy; believes that projects financed under EFSI should create long-term, innovation-led, sustainable and inclusive growth, stimulate the creation of jobs, including in areas of Europe where unemployment is high and problematic, and invest in sectors critical to Europe's future, notably through social and human capital, European infrastructures and industry; stresses that all EFSI-supported projects should be based on the concept of additionality, meaning that they could not have been carried out without EFSI support; supports the EIB assessment, which asks for a better definition of additionality;
3. Notes that EFSI has started functioning successfully, already delivering concrete results in some Member States and therefore acting as a positive instrument to overcome the lack of investment and to fight unemployment in Europe through coordinated action;
4. Believes that EFSI could be an important step in demonstrating the effectiveness of making more innovative use of the EU budget, leveraging the EU budget to boost investment in the real economy; emphasises that it is too early to draw conclusions about its general effectiveness according to the European Court of Auditors (ECA);
5. Is deeply concerned by the fact that the majority of EFSI investments are concentrated in the top five EU economies, thus creating further divergences; regrets that there are still a number of Member States where not a single EFSI project has been signed or approved;
6. Emphasises that EFSI must be considered as an emergency plan and encourages the EIB to make the best use of the Connecting Europe Facility (CEF) and Horizon 2020 (H2020) in a manner complementary to EFSI; points out that the EIB sometimes privileges EFSI over those programmes; recognises the importance of supporting the extension of EFSI's lifetime beyond 2020 and of the necessary increase in the EU budget guarantee, but stresses the need for a comprehensive impact assessment in order to justify the increase proposed by the Commission;
7. Calls for a reinforcement of both the additionality of the projects supported under EFSI to enhance geographical coverage and of take-up, particularly in areas with high levels of unemployment in order to have a strong impact on the employment figures; highlights the need to develop further investment in cross-border projects;
8. Highlights that the investment situation in Europe is slowly improving, but that the pace is

still timid and can be reversible; points out that investment levels are still below the pre-crisis level and the investment gap remains wide – in that sense, EFSI must be oriented to any kinds of project that lead to job creation and sustainable growth and development;

9. Calls on the Commission, the Member States and the EIB Group to help SMEs, micro-enterprises and social enterprises to access funding more easily and thus increase their capacity to grow, implement projects and create quality jobs, by promoting EFSI more efficiently and by enabling better access to technical support at local level; notes that SME funding seems to be the most successful part of EFSI financing; notes that the success of the SME Window is due to frontloading other EU SME initiatives, but that there is an argument in favour of increasing this window if quality requirements are maintained; recommends that SMEs and micro-enterprises should be given access to information on the funding that is available;
10. Calls on the Commission and the EIB to continue their local/national campaigns to help explain and promote the benefits of the Investment Plan across the Union; welcomes the opening of new offices by the EIB in the Member States to provide more support and also enhance cooperation with National Promotional Banks (NPBs) contributing to the generation of more projects in areas with a high-level of unemployment that have been less covered so far;
11. Calls on the Commission and the EIB Group to increase their efforts and enhance the social and employment impact of EFSI, whilst maintaining its aim of helping to overcome the current investment gap in the EU by mobilising private financing for strategic investments;
12. Welcomes the Programme for Employment and Social Innovation (EaSI) Guarantee enhancement under the SME Window of EFSI as well as the development of the EFSI Equity Instrument focused on ensuring an adequate contribution to market development in areas such as social impact; calls for an ongoing commitment to the development of social entrepreneurship and social and solidarity economy to further broaden social, cultural and environmental goals in areas such as poverty alleviation, healthcare and community development;
13. Calls on the Member States to develop national and regional platforms and to strengthen their cooperation with various stakeholders, including social partners, in order to streamline investments able to create quality jobs and improve economic, social and territorial cohesion, and to use EFSI, where appropriate, to make smart investments for the development of high-quality social, care and health services for their citizens; calls on the Commission, the EIB Group and the Member States to step up their efforts, build capacity, raise awareness, develop an appropriate ecosystem and increase the attractiveness of investment in social services such as education, training, healthcare and housing;
14. Recalls that the strong interest and participation in EFSI projects by intermediary banks across the EU in order to provide finance to SMEs has been extremely successful;
15. Calls on the Commission to work with the EFSI Steering Board to use all existing opportunities to reinforce this access to finance for SMEs in order to increase the overall volume of actions for these instruments;

16. Calls on the Commission and the EIB Group to enable EFSI to operate in closer conjunction with the Structural Funds and with various EU funds and financing instruments, such as the European Structural Investment Funds (ESIF), the EaSI Programme, COSME, InnovaFin, the Progress Microfinance Facility and other relevant funds, but to avoid double financing and with the aim of ensuring optimal and effective financing in a more complementary manner; highlights that this articulation must be further simplified and administrative obstacles must be removed; calls, therefore, for adequate coordination between the relevant authorities and for the regions most affected by high unemployment and poverty also to be targeted in order to reduce inequalities by creating quality jobs and sustainable growth, fostering social inclusion and enhancing environmental sustainability; stresses that EFSI should fulfil a supplementary and complementary function in relation to cohesion policy;
17. Highlights that initial results reveal that the Member States with greater technical and administrative capacity, as well as financial institutions, are taking greater advantage of EFSI; warns that this could lead to extending the gap between strong and weak regions; underlines that a greater role must be played by the EIB and the Commission in supporting those lagging behind through greater local technical assistance and enhancing the capacity of some countries to take advantage of EFSI;
18. Maintains that, while there should be no regional or sectorial focus or pre-allocation when spending EFSI money, EFSI is being mainly concentrated in countries where the market gap in investment is less evident, which leads to the conclusion that not enough attention is being paid to genuinely addressing market gaps and labour market constraints; is of the opinion that EFSI should operate more efficiently with the Structural Funds to help weaker regions in overcoming barriers and considers that the development of a European Investment Advisory Hub (EIAH) that would act more locally, provide customised technical assistance and build capacity, would increase the number of applications;
19. Calls on the Commission and the EIB Group to engage more actively in consultation with Member States and stakeholders in cooperation with public authorities, public investment banks, as well as national promotional banks and social partners, especially in countries which to date have shown poor results in the take-up of the Fund; believes that EFSI should focus in particular on projects to reduce unemployment and projects focused on social investment in people's current and future capacities to engage in the labour market, that have a high European added-value and contribute to achieving the objectives of the Union strategy for smart, sustainable and inclusive growth, and that promote cohesion and invest in human capital; considers it important that EFSI cover key sectors for the EU as well as the Treaty-based objectives of strengthening economic, social and territorial cohesion and reducing regional disparities; maintains that successful projects reduce unemployment;
20. Calls on the Commission and the EIB Group to support Member States in increasing, in general as well as under EFSI to the extent possible, investment in projects aiming at social inclusion and enhancing environmental sustainability in the least inhabited, most remote and outermost regions suffering most from the crisis in order to reduce divergences, in particular in relation to unemployment and employment levels and those regions and countries with high unemployment and poverty rates, which are particularly disadvantaged by underinvestment in job opportunities, resulting in unemployment, social

exclusion and emigration;

21. Calls on the Commission to step up EFSI's communication campaign and to increase awareness of EFSI by preparing information for SMEs to explain, in a simple and intelligible manner using specific examples, how they can obtain financing and the types of projects that are financed by EFSI;
22. Recalls that EFSI remains without an assessment and analysis of the causes of the investment gap and market needs and how to best address them; calls on the Commission to provide the assessment in that sense; considers it more than disappointing that the Commission's assessment of EFSI has failed to record the number, types and prospects of jobs created to date under the Fund and to assess its gender impact; calls on the Commission to put in place employment targets and to ensure that EFSI's contribution to growth and jobs is adequately measured and monitored, to study and assess the impact of EFSI projects on the number of jobs created and the real impact of these investments in direct and indirect jobs and to record the results achieved through the Fund across both sectors and countries, with particular emphasis on SMEs;
23. Recalls the importance of regularly releasing new figures and updates , including independent assessments, drawing on the experience gained so far; acknowledges the difficulties in assessing this component given the time needed for projects to mature and their impact to be assessed, and calls in this regard on the EIB Group to develop the best methods of collecting and appraising such results at the next evaluation, also taking into account the long-term impact beyond the duration of EFSI; believes that greater efforts must be made to establish performance-based indicators that measure the objectives and outputs of each project; welcomes the existence of Growth and Employment reports for the instruments deployed under the EFSI SME Window (SMEW) and of Social Impact reporting under the EaSI Guarantee financial instrument and EFSI SMEW social impact pilot instruments, and encourages the continued use of such reporting;
24. Considers that cross-border infrastructure projects are key to the completion of the Single Market, as well as for enhancing employment opportunities; calls on the Commission and the EIAH to focus on providing technical support and on building capacity so as to boost the number of such projects and increase their quality and impact;
25. Calls on the Member States to lay down more clear-cut national investment priorities including as regards job-creation and social investment and to draw up relevant projects with the support of the EIAH; considers that the EIB should ensure a proper feedback loop of information with the Commission regarding eventual regulatory barriers, which may be preventing good projects from taking place at the different levels; calls on the Commission to work in closer cooperation with Member States in the European Semester process to help them begin implementing the recommendations as soon as possible, in particular by carrying out economic and social reforms, thus removing national barriers to investment and creating a business-friendly environment; recalls that only the 'virtuous triangle' of structural reforms identified in the country-specific recommendations, responsible fiscal policies and investment will lead to success; highlights the need for enhanced transparency of EFSI, which should be accountable to Parliament by ensuring the disclosure of exhaustive and sound budgetary information and access to financial data related to projects funded by the EIB;

26. Welcomes the Commission's proposal in the second phase of EFSI to increase the transparency of how projects are selected by requiring the EFSI Investment Committee (IC) to explain its decisions and give reasons for granting support, as well as the proposal to have the Scoreboard for EFSI projects made public as soon as projects are signed, with the exclusion of commercially sensitive information; notes that indicators such as job creation and skills development are key;
27. Welcomes that the Commission will, in close cooperation with the EIB, further strengthen communication on EFSI and the EIAH in order to raise awareness of the availability of funding and technical assistance across the Union; suggests that information on funding solutions, technical assistance and procedures, including examples of good practices and case studies, can stimulate new ideas and boost investment initiatives;
28. Stresses the need to ensure that EFSI projects comply with the EU Charter of Fundamental Rights, including the right to fair and just working conditions; highlights, in particular, the need to ensure respect for information and consultation rights of workers.

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	25.1.2017
<b>Result of final vote</b>	+: 41 -: 10 0: 0
<b>Members present for the final vote</b>	Laura Agea, Brando Benifei, Vilija Blinkevičiūtė, Enrique Calvet Chambon, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Arne Gericke, Marian Harkin, Czesław Hoc, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Joëlle Mélin, Elisabeth Morin-Chartier, João Pimenta Lopes, Georgi Pirinski, Terry Reintke, Sofia Ribeiro, Robert Rochefort, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Romana Tomc, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Renate Weber, Jana Žitňanská
<b>Substitutes present for the final vote</b>	Georges Bach, Heinz K. Becker, Lynn Boylan, Dieter-Lebrecht Koch, Paloma López Bermejo, Edouard Martin, Evelyn Regner, Csaba Sógor, Helga Stevens, Flavio Zanonato
<b>Substitutes under Rule 200(2) present for the final vote</b>	Marco Valli

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

41	+
ALDE	Enrique Calvet Chambon, Martina Dlabajová, Marian Harkin, Robert Rochefort, Yana Toom, Renate Weber
ECR	Arne Gericke, Czesław Hoc, Helga Stevens, Ulrike Trebesius, Jana Žitňanská
PPE	Georges Bach, Heinz K. Becker, Dieter-Lebrecht Koch, Agnieszka Kozłowska-Rajewicz, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Elisabeth Morin-Chartier, Sofia Ribeiro, Claude Rolin, Anne Sander, Sven Schulze, Csaba Sógor, Romana Tomc
S&D	Brando Benifei, Vilija Blinkevičiūtė, Ole Christensen, Agnes Jongerius, Jan Keller, Javi López, Edouard Martin, Georgi Pirinski, Evelyn Regner, Siôn Simon, Jutta Steinruck, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Terry Reintke

10	-
EFDD	Laura Agea, Marco Valli
ENF	Dominique Martin, Joëlle Mélin
GUE/NGL	Lynn Boylan, Rina Ronja Kari, Patrick Le Hyaric, Paloma López Bermejo, João Pimenta Lopes
NI	Lampros Fountoulis

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention