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REPORT

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

Committee on Budgets
Committee on Economic and Monetary Affairs

Rapporteurs: José Manuel Fernandes, Udo Bullmann

(Joint committee procedure – Rule 55 of the Rules of Procedure)

Rapporteurs for the opinion (*):
Eva Kaili, Committee on Industry, Research and Energy
Inés Ayala Sender, Commitee on Transport and Tourism

(*) Associated committees – Rule 54 of the Rules of Procedure
Symbols for procedures

* Consultation procedure
*** Consent procedure
***I Ordinary legislative procedure (first reading)
***II Ordinary legislative procedure (second reading)
***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in bold italics in the left-hand column. Replacements are indicated in bold italics in both columns. New text is indicated in bold italics in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in bold italics. Deletions are indicated using either the ▌ symbol or strikeout. Replacements are indicated by highlighting the new text in bold italics and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.
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(*) Associated committee – Rule 54 of the Rules of Procedure
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION


(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2016)0597),

– having regard to Article 294(2) and Articles 172 and 173, the third paragraph of Article 175 and Article 182(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0375/2016),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Economic and Social Committee of 15 December 2016¹,

– having regard to the opinion of the Committee of the Regions of 7 December 2016²,

– having regard to Rule 59 of its Rules of Procedure,

– having regard to the joint deliberations of the Committee on Budgets and the Committee on Economic and Monetary Affairs under Rule 55 of the Rules of Procedure,

– having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs and the opinions of the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Budgetary Control, the Committee on Employment and Social Affairs and the Committee on Regional Development (A8-0198/2017),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 75, 10.3.2017, p. 57.
² Not yet published in the Official Journal.
Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (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 EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 172 and 173, the third paragraph of Article 175 and Article 182(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Having regard to the opinion No 2/2016 of the Court of Auditors¹,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) Since the Investment Plan for Europe was presented in November 2014², the conditions for an uptake in investment have improved and confidence in Europe’s economy and growth are returning. The Union is now in its fourth year of moderate recovery, with Gross Domestic Product growing at 2% in 2015, but unemployment rates remain above their pre-crisis levels. The comprehensive efforts initiated with the Investment Plan are already delivering concrete results, despite the fact that it is not yet possible to estimate the full impact that the EFSI has had on growth as the macroeconomic effects of larger investment projects cannot be immediate. Investment is expected to pick up

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* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol \.[/quote]

gradually throughout 2016 and 2017 but the pace is still timid and remains below historical levels.

(2) That positive momentum should be maintained and efforts need to be continued to bring investment back to its long-term sustainable trend reaching the real economy. The mechanisms of the Investment Plan work and should be reinforced to continue the mobilisation of private investments in sectors important to Europe's future and where market failures or sub-optimal investment situations remain in such a way as to generate a substantive macroeconomic impact and to generate jobs.

(3) On 1 June 2016 the Commission issued a Communication entitled ‘Europe investing again – Taking stock of the Investment Plan for Europe and next steps’ outlining the achievements of the Investment Plan so far and the envisaged next steps, including the extension of the European Fund for Strategic Investments (EFSI) beyond its initial three-year period, the scaling-up of the Small and Medium-sized Enterprises (SME) Window within the existing framework and the enhancement of the European Investment Advisory Hub (EIAH).

(4) The EFSI, implemented by the EIB Group, is on track from a quantitative perspective to deliver the objective of mobilising at least EUR 315 billion in additional investments in the real economy by mid-2018. The market response and absorption has been particularly quick under the SME Window where the EFSI is delivering well beyond expectations, building also on the initial use of the existing European Investment Fund (EIF) mandates (InnovFin SMEG, COSME LGF and the RCR mandate) to have an accelerated kick start. In July 2016, the SME Window was thus scaled-up by EUR 500 million within the existing parameters of Regulation (EU) No 2015/1017. A larger share of financing to be geared towards SMEs given the exceptional market demand for SME financing under the EFSI: 40% of the increased risk bearing capacity of the EFSI should be geared towards increasing access to financing for SMEs.

(5) On 28 June 2016, the European Council concluded that "The Investment Plan for Europe, in particular the European Fund for Strategic Investments (EFSI), has already delivered concrete results and is a major step to help mobilise private investment while making smart use of scarce budgetary resources. The Commission intends to soon put forward proposals on the future of the EFSI, which should be examined as a matter of urgency by the European Parliament and the Council."

(6) The EFSI was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. However, the drive to meet that quantitative target should not prevail over the additionality of the projects selected. The Commission is therefore committed not only to extending the investment period and financial capacity of the EFSI, but also to raising the level of additionality. The legal extension covers the period of the current Multiannual Financial Framework and should provide a total of at least half a trillion euro investments by 2020. In order to enhance the firepower of the EFSI even further and reach the aim of doubling the investment target, Member States should also contribute as a matter of priority.

(6a) The EFSI and its implementation cannot fully unfold their potential without the implementation of activities aimed at strengthening the single market, creating a favourable business environment and the implementation of socially balanced and sustainable structural reforms. In addition, well-structured projects, as parts of investment and development plans brought at the level of Member States, are of key
importance for the success of the EFSI. Member States are therefore called upon to support capacity building with regard to sustainable investment, in particular at regional and local level, and to ensure that the administrative structures necessary for that purpose are put in place.

(7) For the period after 2020, the Commission should put forward, under the new multiannual financial framework, a legislative proposal for a comprehensive investment scheme to effectively address the lack of investment in the Union. That legislative proposal should be based on the conclusions of the Commission report and independent evaluation to be submitted by 31 December 2018 to the European Parliament and the Council. That report and independent evaluation should also examine the application of Regulation (EU) 2015/1017 as revised by this Regulation, under the extended EFSI period.

(8) The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future job creation – including for the youth –, growth and competitiveness with strengthened additionality. They include investments in the areas of energy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport, as well as the digital transformation. In particular, the contribution of operations supported by the EFSI to achieving the Union's ambitious targets set at the Paris Climate Conference (COP21) and the Union commitment to reduce greenhouse gas emissions by 80 - 95 % should be reinforced. Energy interconnection priority projects and energy efficiency projects should also be increasingly targeted. In addition, EFSI support to motorways should be limited to support private and/or public investment in transport in cohesion countries, less developed regions or in cross-border transport projects or if it is necessary to upgrade, maintain and improve road safety, develop intelligent transportation system (ITS) devices, or guarantee the integrity and standards of existing motorways on the trans-European transport network, in particular safe parking areas, alternative clean fuels stations and electric charging systems. In the digital sector, and within the scope of the ambitious Union policy on the Digital Economy, new digital infrastructure targets should be set in order to ensure the bridging of the digital divide and that the Union will be a global pioneer in the new age of the so-called internet of things, blockchain technology, and cyber- and network-security. For reasons of clarity, although they are already eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support.

(8a) 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 and to the overall portfolio of the EFSI, having particular regard to COP21. In order to strengthen climate-related action under the EFSI, the EIB should build on its experience as a major provider of climate financing and use internationally agreed methodologies to identify climate-related components and costs.

(8b) Cultural and creative industries play a key role in reindustrialising Europe, are a driver for growth and are in a strategic position to trigger innovative spill-overs in other industrial sectors, such as tourism, retail, and digital technologies. The EFSI should help SMEs to overcome capital shortages in that sector and should typically
target projects with a higher risk than the projects currently financed by the Creative Europe and the Guarantee Facility.

(9) Additionality, a key feature of the EFSI, should be strengthened in the selection of projects. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States or regions, including e-infrastructure or the TEN-T and TEN-E networks, should give a strong indication of additionality given their inherent difficulty and their high added value for the Union.

(9a) The fulfilment of the additionality criterion is dependent upon region specific economic conditions, as a project may be additional in one region but not in another. The Investment Committee, therefore should take into account region specific conditions when assessing compliance with the additionality criterion.

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union budget,  including EIB financing under the EFSI, as well as other investors should be encouraged. Blending aims to enhance the value added of Union spending by attracting additional resources from private investors and to ensure the actions supported become economically and financially viable. Although the Commission has already published concrete guidance on this matter, the approach on the issue of combining the EFSI with Union funds should be further developed, while taking into account economic efficiency and adequate leverage. The combined use of the EFSI and the European Structural and Investment Funds (ESIF) can help the EFSI to attain a wider geographical coverage.

(11) In order to reinforce the take-up of the EFSI in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged. Given the fact that there should be no restriction on the size of the projects eligible for EFSI support, small-scale projects should not be deterred from applying for EFSI financing. Moreover, further action to strengthen technical assistance and the promotion of the EFSI in those regions is necessary.

(11a) Investment platforms are an essential tool to deal with market failures, especially in the financing of multiple, regional, or thematic projects, including energy efficiency projects and cross-border projects. It is therefore important to encourage partnerships with national promotional banks or institutions, including with a view to setting up investment platforms. In the context of such partnerships, the Investment Committee, in accordance with the relevant guidance of the Steering Board, should 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. In such cases, the Investment Committee should retain the right to supervise at any time the project selection procedure, in order to ensure that it is applied in accordance with this Regulation.

(11b) This possibility of directly granting the EU guarantee to investment platforms and national promotional banks or institutions should in no way result in an overall discrimination against Member States that have not established such entities nor should it lead to geographical concentration.
For the full investment period, the Union should provide a Union guarantee (the ‘EU guarantee’) which should not, at any time, exceed EUR 26 000 000 000 in order to enable the EFSI to support investments, of which a maximum of EUR 16 000 000 000 should be available prior to 6 July 2018.

It is expected that when the EU guarantee is combined with the EUR 7 500 000 000 to be provided by the EIB, the EFSI support should generate EUR 100 000 000 000 additional investment by the EIB and EIF. The amount of EUR 100 000 000 000 supported by the EFSI is expected to generate at least EUR 500 000 000 000 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 should be earmarked for that purpose, to be authorised by the European Parliament and the Council through the annual budgetary procedure. Moreover, EUR 1 645 797 000 of appropriations should be transferred from the CEF financial instruments to the grant part of the CEF with a view to facilitating blending with the EFSI or to other relevant instruments, in particular those dedicated to energy efficiency.

On the basis of the experience acquired with the investments supported by the EFSI, the target amount of the guarantee fund should be brought to 35 % of the total EU guarantee obligations ensuring an adequate level of protection.

In line with the exceptional market demand for SME financing under the EFSI which is expected to continue, the EFSI SME Window should be enhanced. Particular attention should be paid to social enterprises and social services, including through the development and deployment of new instruments adequate for the sector’s needs and specificities.

The EIB and the EIF should ensure that the final beneficiaries, including SMEs, are aware of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017. A clear reference to the EFSI should be prominently placed in the financing agreement.

With a view to enhancing the transparency of EFSI operations, the Investment Committee should explain in its decisions, which are made public and accessible, the reasons why it deems that an operation should be granted the EU guarantee, with particular focus on compliance with the additionality criterion. The scoreboard of indicators should be made public once an operation under the EU guarantee is signed.

The scoreboard should be used in strict conformity with this Regulation and with Delegated Regulation (EU) 2015/1558, and the Annex thereto, 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

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should calculate the scores and indicators ex ante and monitor the results at project completion.

(18b) The Steering Board should revise the investment guidelines to establish a minimum threshold for the different criteria in the scoreboard with a view to enhancing the assessment of projects.

(19) The operations supported by the EFSI should adhere to the Union's principles of tax good governance. In carrying out its operations, the EIB should not make use of, engage in, or provide funds to beneficiaries that make use of or engage in tax avoidance structures, in particular aggressive tax planning schemes, in accordance with Union law, recommendations and guidelines.

(20) In addition, it is appropriate to make certain technical clarifications in relation to the contents of the agreement on the management of the EFSI and on granting of the EU guarantee and on the instruments covered by it, including coverage for currency exchange rate risk in certain situations. The agreement with the EIB on the management of the EFSI and on the granting of the EU guarantee should be adapted in line with this Regulation.

(21) The European Investment Advisory Hub (EIAH) should be enhanced and its activities 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. It should pay particular attention to 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. The EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and proactively support the EIB in originating projects and launching operations, as well as in stimulating demand, where needed. The EIAH activities should complement the existing structures and overlaps in the services in the Member States should be avoided. It should also actively contribute to the establishment of investment platforms and provide advice on combining other sources of Union funding with the EFSI. It is considered necessary for the EIAH to ensure a strong local presence, where needed, to leverage local knowledge about the EFSI and better consider local needs. The EIAH should aim to 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, where needed. To achieve those objectives, the staff capacity of the EIAH should be commensurate with the tasks that it is called upon to undertake.

(21a) In order to address market failures and gaps, to stimulate adequate additional investments, and to promote the geographic and regional balance of EFSI-backed operations, an integrated and streamlined approach to the aim of promoting growth, jobs and investments is necessary. Pricing policy should contribute to the achievement of these goals.

(21b) To promote the investment goals of Regulation (EU) 2015/1017, blending with existing funds should be encouraged in order to provide adequate concessionalities in the financing terms and conditions, including the pricing, of EFSI operations.

(22) Regulation (EU) No 2015/1017 should therefore be amended accordingly,
HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 2015/1017 is amended as follows:

(-1) in point (4), point (b) is replaced by the following:

‘(b) cross-border, multi-country, regional or macro-regional platforms that group together partners from several Member States, regions or third countries interested in projects in a given geographic area;’

(1) Article 4(2) is amended as follows:

(a) in point (a), point (ii) is replaced by the following:

'(ii) the amount, of no less than EUR 7 500 000 000 in guarantees or cash, and the terms of the financial contribution which is to be provided by the EIB through the EFSI;’

(aa) in point (a), point (iv) is replaced by the following:

‘(iv) the pricing of operations under the EU guarantee which is to be in line with the the EIB general pricing policy in compliance with the purpose of this Regulation. 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;’

(ab) in point (b), point (iii) is replaced by the following:

‘(iii) a provision that the Steering Board is to take decisions by consensus, and that, in the event that a consensus cannot be reached, it is to take its decisions by a four-fifths majority of its component members;’

(ac) in point (b), point (iv) is replaced by the following:

‘(iv) the procedure for the appointment of the Managing Director and of the Deputy Managing Director, their remuneration and working conditions, the rules and procedures on their replacement in their functions and on accountability, without prejudice to this Regulation;’

(b) in point (c), point (i) is replaced by the following:

'(i) in accordance with Article 11, detailed rules on the provision of the EU guarantee, including its arrangements on coverage, its defined coverage of portfolios of specific types of instruments and the respective events triggering possible calls on the EU guarantee;’

(1a) Article 5(1) is replaced by the following:

‘1. For the purposes of this Regulation, 'additionality' means the support by the EFSI of operations which address market failures or sub-optimal investment situations and which could not have been carried out in the period during which the EU guarantee can be used, or not to the same extent, by the EIB, the EIF or under existing Union financial instruments without EFSI support. Projects supported by the EFSI, while
supporting any of the general objectives laid down in Article 9(2), striving to create employment and sustainable growth, shall typically have a higher risk profile than projects supported by EIB normal operations and the EFSI portfolio shall have overall a higher risk profile than the portfolio of investments supported by the EIB under its normal investment policies before the entry into force of this Regulation.

EIB projects carrying a risk lower than the minimum risk under EIB special activities may also be supported by the EFSI if the use of the EU guarantee is required to ensure additionality as defined in the first subparagraph of this paragraph.

To better address market failures or sub-optimal investment situations, thereby ensuring complementarity and thus avoiding crowding out vis-à-vis participants in the same market, EIB special activities supported by the EFSI shall, as a preferred way and if duly justified, have the features of subordination and take a junior position vis-à-vis other investors, as well as participation in risk-sharing instruments, cross-border characteristics, exposure to specific risks or other identifiable aspects as further described in Annex II.

Without prejudice to the requirement to meet the definition of additionality as set out in the first subparagraph, 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;

(2a) In Article 5, the following paragraph is added:

‘2a. In line with the pricing policy, the EFSI shall:

- as a preferred way and if duly justified, take junior positions versus other investors, and ensure that the pricing of its operations is modulated including blending, where necessary, to enable projects to maximise leverage of funds and to take into account local market conditions; and
- if necessary for achieving the objectives of the EFSI and addressing market failures and investment gaps, ensure that the pricing levels for equity-type operations remains below market prices for the same kind of transactions.

(3) In Article 6(1), the introductory words are replaced by the following:

‘The EFSI Agreement shall provide that the EFSI is to support projects which address market failures or sub-optimal investment situations and which:’;

(3a) Article 6(2) is replaced by the following:
‘2. There shall be no restriction on the size of projects eligible for EFSI support for the operations conducted by the EIB or the EIF via financial intermediaries. In order to ensure that EFSI support also covers small-scale projects, the EIB and the EIF shall extend cooperation with national promotional banks or institutions and promote the possibilities provided through the setting-up of investment platforms.’

(4) Article 7 is amended as follows:

(-a) the following paragraph is inserted:

‘1a. All institutions and bodies involved in EFSI governing structures shall strive to ensure gender balance in all EFSI governing bodies.’

(-aa) in paragraph 3, the first subparagraph is replaced by the following:

‘The Steering Board shall comprise five members: three appointed by the Commission, one by the EIB and one by the European Parliament. The Steering Board shall elect a Chairperson from among its members for a fixed term of three years, renewable once. The Steering Board shall strive to take its decisions by consensus. In the event that a consensus cannot be reached, the Steering Board shall take its decisions by a four-fifths majority of its component members.’

(-ab) in paragraph 3, the second subparagraph is replaced by the following:

‘The detailed minutes of Steering Board meetings shall be published as soon as they have been approved by the Steering Board. The European Parliament shall be immediately notified of their publication.’

(-ac) in paragraph 5, the first subparagraph is replaced by the following:

‘5. The EFSI Agreement shall provide that the EFSI is to have a managing director, who is to be responsible for the day-to-day management of the EFSI and the preparation and chairing of meetings of the Investment Committee referred to in paragraph 6. In addition, the managing director is to be accountable to the European Parliament regarding the work of the Investment Committee.’

(-ad) in paragraph 5, the second subparagraph is replaced by the following:

‘The Managing Director shall be assisted by a deputy managing director. The Managing Director shall participate in the meetings of the Steering Board as a non-voting member. In the event that the Managing Director cannot attend meetings or parts of meetings of the Steering Board, the Deputy Managing Director shall participate in such meetings or parts thereof as a non-voting member.

(-ae) in paragraph 6, the first subparagraph is replaced by the following:

‘6. Following an open and transparent selection process in line with the provisions laid down in this Regulation, the Steering Board shall select a candidate for each of the positions of Managing Director and Deputy Managing Director, who shall each be remunerated from the general budget of the Union.’

(a) Paragraph 8 is amended as follows:

(i) point (e) is replaced by the following:

‘(e) climate action, environmental protection and management;’;

(ii) The following point (l) is added:

(ii) climate action, environmental protection and management;’;

(iii) The following point (m) is added:

(m) climate action, environmental protection and management;’;
'(l) agriculture, fishery and aquaculture.';

(b) in paragraph 10, the second sentence is replaced by the following:

'Each member of the Investment Committee shall communicate without delay to the Steering Board, the Managing Director and the Deputy Managing Director all information needed to check on an ongoing basis the absence of any conflict of interest.';

(c) in paragraph 11, the following sentence is added:

'The Managing Director shall be responsible for informing the Steering Board of any such breach and propose and implement appropriate action.';

(d) in paragraph 12, the second sentence of the second subparagraph is replaced by the following:

'Decisions approving the use of the EU guarantee shall be public and accessible through detailed minutes. The publication of such decisions shall include the rationale for the decision, with particular focus on compliance with the additionality criterion and an explanation on how the scoreboard of indicators referred to in paragraph 14 was used to justify the use of the EU guarantee. The scoreboard is a tool for the investment committee to prioritise the use of the EU guarantee for operations that display higher scores and added value. It shall be publicly available after the final decision on a project has been taken. The publication shall not contain commercially sensitive information.

In the case of commercially sensitive decisions, the EIB shall forward to the European Parliament such decisions and information concerning promoters or financial intermediaries at the date of closing of the relevant financing or any earlier date when commercial sensitivity ends. In reaching its decision, the Investment Committee shall be supported by the documentation provided by the EIB.

The EIB shall, on an annual basis, submit to the European Parliament, the Council and the Commission a list of all decisions of the Investment Committee rejecting the use of the EU guarantee, as well as a compilation of the scoreboard results. That submission shall be subject to strict confidentiality requirements.';

(da) paragraph 14 is replaced by the following:

'14. The Commission shall be empowered to adopt delegated acts in accordance with Article 23(1) to (3) and (5) to supplement this Regulation by establishing a scoreboard of indicators to be used by the Investment Committee to ensure an independent and transparent assessment the potential and actual use of the EU guarantee. Such delegated acts shall be prepared in close dialogue with the EIB.

The Steering Board shall revise the investment guidelines in order to establish a minimum threshold for the different criteria in the scoreboard with a view to enhancing the assessment of projects.';

(4a) In Article 8, point (b) of the first paragraph is replaced by the following:
‘(b) involve entities located or established in one or more Member States extending to, or cooperating with entities in, one or more third countries falling within the scope of the European Neighbourhood Policy, including the Strategic Partnership, the enlargement policy, the European Economic Area or the European Free Trade Association, or to an overseas country or territory as set out in Annex II to the TFEU, whether or not there is a partner in those third countries or overseas countries or territories.’;

(5) Article 9 is amended as follows:

\(-\text{(a)}\) in paragraph 2, the introductory part is replaced by the following:

‘2. The EU guarantee shall be granted for EIB financing and investment operations approved by the Investment Committee referred to in Article 7(7) or for funding or guarantees to the EIF in order to conduct EIB financing and investment operations in accordance with Article 11(3). In accordance with the guidance of the Steering Board, the Investment Committee may grant an appropriate part of the EU guarantee directly to investment platforms and national promotional banks or institutions and delegate the decision on the selection of projects to those entities. The Investment Committee shall in any event retain the right to supervise the project selection procedure, in order to guarantee that it is applied in accordance with this Regulation. The operations concerned shall be consistent with Union policies and support any of the following general objectives:’;

\(-\text{aa)}\) in paragraph 2(c), the following point is added:

‘(iiiia) railway infrastructure and other rail projects;’;

\(-\text{ab)}\) in paragraph 2(e) the following points are inserted:

‘(ia) blockchain technology;
(ib) internet of things;
(ic) cybersecurity and network protection infrastructures;’

\(-\text{ac)}\) in paragraph 2, point (g)(ii) is amended as follows:

‘(ii) cultural and creative industries, in which sector-specific financial mechanisms through interaction with Creative Europe and the Guarantee Facility in order to provide fit-for-purpose loans for cultural and creative industries shall be authorised.’;

\(-\text{ad)}\) in paragraph 2, point (g)(v) is amended as follows:

‘(v) social infrastructures, social services, social and solidarity economy;’

\(\text{(a)}\) in paragraph 2 the following points (h) and (i) are added:

‘(h) sustainable agriculture, fishery, aquaculture and other bioeconomy and bioindustry sectors;
(i) within the requirements of this Regulation, for less-developed regions and transition regions as listed respectively in Annex I and Annex II of
Commission Implementing Decision 2014/99/EU, other industry and services eligible for EIB support.';

(b) in paragraph 2, the following subparagraph is added:

‘The Steering Board shall provide detailed guidance and assessment tools, in particular with regard to eligible projects and to the overall portfolio of the EFSI, with particular regard to COP21. That guidance shall ensure that at least 40 % of EFSI financing under the infrastructure and innovation window supports project components that contribute to climate action.’;

(c) paragraph 3 is replaced by the following:

‘3. The investment period during which the EU guarantee may be granted for supporting financing and investment operations covered by this Regulation shall last until:

(a) 31 December 2020, for EIB operations for which a contract between the EIB and the beneficiary or financial intermediary has been signed by 31 December 2022;

(b) 31 December 2020, for EIF operations for which a contract between the EIF and the financial intermediary has been signed by 31 December 2022.’;

(d) paragraph 4 is deleted.

(da) the following paragraph is inserted:

‘4a. If a public authority within a Member State establishes an investment platform or a national promotional bank or institution that shares the objectives of the EFSI, the EIB shall cooperate with that body. The EIB shall also cooperate with investment platforms or national promotional banks or institutions that have already been established and that share the objectives of the EFSI.’

(db) in paragraph 5, the third subparagraph is replaced by the following:

‘Without prejudice to Article 7(7), the Investment Committee, after thorough assessment, may decide to terminate a partnership with an investment platform or with a national promotional bank or institution.’

(5a) Article 10(1) is replaced by the following:

‘1. For the purposes of Article 9(2) and in accordance with Article 11, the EIB, and, where appropriate, national promotional banks or institutions and investment platforms shall use the EU guarantee towards risk coverage for instruments referred to in paragraph 2 of this Article.’;

(6) in Article 10(2), point (a) is replaced by the following:

‘(a) EIB loans, guarantees, counter-guarantees, capital market instruments, any other form of funding or credit enhancement instrument, including subordinated debt,'
equity or quasi-equity participations, including in favour of national promotional banks or institutions, investment platforms or funds;'

(7) Article 11 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. The EU guarantee shall not, at any time, exceed EUR 26 000 000 000, of which a part may be allocated for EIB funding or guarantees to the EIF in accordance with paragraph 3. Aggregate net payments from the general budget of the Union under the EU guarantee shall not exceed EUR 26 000 000 000 and not exceed EUR 16 000 000 000 prior to 6 July 2018.';

(b) paragraph 3 is replaced by the following:

'3. Where the EIB provides funding or guarantees to the EIF in order to conduct EIB financing and investment operations, the EU guarantee shall provide for a full guarantee on such funding or guarantees provided that an amount of at least EUR 4 000 000 000 of funding or guarantees is provided by the EIB without coverage by the EU guarantee, up to an initial limit of EUR 6 500 000 000. Without prejudice to paragraph 1, that limit may where appropriate be adjusted by the Steering Board up to a maximum of EUR 8 000 000 000, without an obligation on the EIB to match the amounts over and above the initial limit.'

(c) in paragraph 6, points (a) and (b) are replaced by the following:

'(a) for debt instruments referred to in Article 10(2)(a), the principal and all interest and amounts due to the EIB but not received by it in accordance with the terms of the financing operations until the event of default; losses arising from fluctuations of currencies other than the euro in markets where possibilities for long-term hedging are limited; for subordinated debt a deferral, reduction or required exit shall be considered to be an event of default;

(b) for equity or quasi-equity investments referred to in Article 10(2)(a), the amounts invested and their associated funding cost and losses arising from fluctuations of currencies other than the euro;'

(8) Article 12 is amended as follows:

(a) paragraph 5 is replaced by the following:

'5. Endowments to the guarantee fund referred to under paragraph 2 shall be used to reach an appropriate level (target amount) to reflect the total EU guarantee obligations. The target amount shall be set at 35 % of the total EU guarantee obligations.,'

(b) paragraph 7 is replaced by the following:

'7. From 1 July 2018, if as a result of calls on the EU guarantee, the level of the guarantee fund falls below 50 % of the target amount, or it may fall below that level within a year according to a risk assessment by the Commission, the Commission shall submit a report on exceptional measures that may be required.';

(c) paragraphs 8, 9 and 10 are replaced by the following:
8. After a call on the EU guarantee, endowments to the guarantee fund provided for in points (b) and (d) of paragraph 2 above the target amount shall be used within the limits of the investment period provided for in Article 9 to restore the EU guarantee up to its full amount.

9. Endowments to the guarantee fund provided for in point (c) of paragraph 2 shall be used to restore the EU guarantee up to its full amount.

10. In the event that the EU guarantee is fully restored up to an amount of EUR 26 000 000 000, any amount in the guarantee fund in excess of the target amount shall be paid to the general budget of the Union as internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012 for any budget lines which may have been used as a source of redeployment to the guarantee fund.';

(9) Article 14 is amended as follows:
(a) Paragraph 1 is amended as follows:
   (i) in the first subparagraph, the second sentence is replaced by the following:
   'Such support shall include providing targeted support on the use of technical assistance for project structuring, on the use of innovative financial instruments and on the use of public-private partnerships, and advice, as appropriate, on relevant issues relating to Union law, taking into account the specificities and needs of Member States with less-developed financial markets, as well as the situation in different sectors.‘;
   (ii) in the second subparagraph, the following sentence is added:
   'It shall also support the preparation of climate action and circular economy projects or components thereof, in particular in the context of COP21, the preparation of projects in the digital sector, as well as the preparation of projects referred to in the fifth subparagraph of Article 5(1).‘;
(b) paragraph 2 is amended as follows:
   (i) point (c) is replaced by the following:
   ' (c) leveraging local knowledge to facilitate EFSI support across the Union and contributing actively to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB and national promotional banks or institutions to originate and develop operations, in particular in less-developed and transition regions and by stimulating demand for EFSI support, wherever needed.‘;
   (ii) point (e) is replaced by the following:
   ' (e) providing pro-active, advisory support on the establishment of investment platforms, in particular cross-border and macroregional investment platforms involving several
Member States and/or regions, with a local presence, where needed;'

(ii a) the following point is added:

‘(ea) utilising the potential of attracting and financing small-scale projects, including through investment platforms;’

(iii) The following point (f) is added:

‘(f) providing advice on the combination of other sources of Union funding (such as the European Structural and Investment Funds, Horizon 2020 and the Connecting Europe Facility) with the EFSI with the aim of reducing the administrative burden and resolving practical problems linked to the use of such combined sources of funding;’

(iii a) the following point is added:

‘(fa) providing pro-active support to promote and encourage the operations referred to in point (b) of the first paragraph of Article 8;’

(c) paragraph 5 is replaced by the following:

'5. In order to achieve the objective referred to in paragraph 1 and to facilitate the provision of advisory support at local level, the EIAH shall seek to use the expertise of the EIB, the Commission, national promotional banks or institutions, and the managing authorities of the European Structural and Investment Funds;'

(c a) the following paragraph is inserted:

‘5a. The EIAH shall make use of the list referred to in Article 16(2a), in order to assist, in a proactive manner and as appropriate, possible project promoters in further developing their proposals for funding under the EFSI.’

(d) in paragraph 6, the second sentence is replaced by the following:

'Cooperation between, on the one hand, the EIAH and, on the other hand, a national promotional bank or institution, an international financing institution or an institution or a managing authority, including those acting as a national advisor, having expertise relevant for the purposes of the EIAH, may take the form of a contractual partnership. The EIAH shall conclude cooperation agreements with national promotional banks or institutions in each Member State. In Member States where such institutions do not exist, the EIAH shall provide, where appropriate and at the request of the Member State concerned, pro-active advisory support on the establishment thereof;'

(da) the following paragraph is inserted:

‘6a. In order to actively ensure a wide geographic outreach of the advisory services across the Union and to successfully leverage local knowledge about the EFSI, a local presence of the EIAH shall be ensured, where needed and taking into account existing support schemes, with a view to providing tangible, pro-active, tailor-made assistance on the ground.'
It shall be established in particular in Member States or regions that face difficulties in developing projects under the EFSI. The EIAH shall aim to promote a transfer of knowledge to the regional and local level and shall ensure the continuous build-up of regional and local capacity and expertise.’;

(db) paragraph 7 is replaced by following:

‘7. An annual reference amount of EUR 20 000 000 shall be made available from the general budget of the Union to contribute towards covering the costs of EIAH operations until 31 December 2020 for the services provided by the EIAH under paragraph 2 which are in addition to those already available under other Union programmes, insofar as those costs are not covered by the remaining amount from fees referred to in paragraph 4.’

(9a) In Article 16(2), point (f) is replaced by the following:

‘(f) a description of the projects where the support of the European Structural and Investment Funds is combined with the support of the EFSI, the total amount of the contributions from each source as well as the risk profile of each such project;’

(9b) in Article 16(2), the following point is added:

‘(ja) detailed information on the tax payments resulting from EIB financing and investment operations under the EFSI.’;

(9c) In Article 16, the following paragraph is inserted:

‘2a. The EIB shall submit every six months to the European Parliament, the Council, the Commission and the EIAH, a list of all investment proposals submitted for the use of the EU guarantee, including those that are not pre-selected for submission to the Investment Committee. That submission shall be subject to strict confidentiality requirements.’;

(9d) In Article 16, the following paragraph is inserted:

‘5a. The Commission shall draft a report at the end of the investment period on the aggregated effects and appropriateness of the pricing policy and shall forward that report to the European Parliament and the Steering Board. The findings of that report shall be taken into account.’;

(9e) In Article 16, the following paragraph is added:

‘6a. The Commission shall submit an annual report providing details of all projects in each policy area that received support through the EFSI, the total amount of the contribution from each source, as well as the risk profiles.’;

(10) Article 18 is amended as follows:

(a) paragraph 6 is replaced by the following:

‘6. By 31 December 2018 and 30 June 2020, the Commission shall submit to the European Parliament and the Council a report containing an independent evaluation of the application of this Regulation.’;

(b) paragraph 7 is replaced by the following:
‘7. 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. The proposal shall take due account of the conclusions of the 31 December 2018 report containing an independent evaluation, which shall be submitted in time to be duly considered for that purpose.’

(ba) paragraph 8 is replaced by the following:

‘8. The report referred to in paragraph 6 shall include an evaluation concerning the use of the scoreboard referred to in Article 7(14) and Annex II, in particular with regard to the consideration of the appropriateness of each pillar and their relative roles in the assessment. The report shall, if appropriate and duly justified with its findings, be accompanied by a proposal for a revision of the delegated act referred to in Article 7(14).’;

(11) in Article 19, the following paragraph is added:

‘The EIB and EIF shall inform or shall oblige financial intermediaries to inform the final beneficiaries, including SMEs, of the existence of EFSI support and shall make that information prominently visible, particularly in the case of SMEs, in the financing agreement and on every contract that includes EFSI support, thereby increasing public awareness and improving visibility.’;

(11a) Article 20(2) is replaced by the following:

‘2. For the purpose of paragraph 1 of this Article, the Court of Auditors shall, at its request and in accordance with Article 287(3) TFEU, be granted full access to any document or information necessary to carry out its task.’;

(12) Article 22(1) is replaced by the following:

‘1. In their financing and investment operations covered by this Regulation, the EIB, the EIF and all financial intermediaries shall comply with relevant standards and applicable laws on the prevention of money laundering, and the fight against terrorism, tax fraud and tax evasion.

In their financing and investment operations covered by this Regulation, the EIB and the EIF shall not make use of, engage in, or provide funds to beneficiaries that make use of or engage in tax avoidance structures, in particular aggressive tax planning schemes, or practices not complying with EU tax good governance criteria, as set out in the legal acts of the Union, Council conclusions, Commission communications or any formal notice by the Commission.

In particular the EIB and the EIF shall not maintain business relations with entities incorporated or established in jurisdictions that do not co-operate with the Union in relation to the application of the internationally agreed tax standards and Union law on transparency and exchange of information.

When concluding agreements with financial intermediaries, the EIB and the EIF shall transpose requirements referred to in this Article into the relevant
contracts and shall request country-by-country reporting about their observance. The EIB and the EIF shall publish and update on a running basis the list of financial intermediaries with whom they cooperate.

The EIB and the EIF shall, following a consultation with the Commission and stakeholders, revise and update their policies on non-cooperative jurisdictions at the latest following the adoption of the Union list of non-cooperative jurisdictions. Every year thereafter, the Commission shall submit a report to the European Parliament and to the Council on the implementation of those policies.

(13) in Article 23(2), the first and second sentences of the first subparagraph are replaced by the following

'The power to adopt delegated acts referred to in Article 7(13) and (14) shall be conferred on the Commission for a period of five years from 4 July 2015. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period.';

(14) Annex II is amended as set out in the Annex to this Regulation.

Article 3

This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States. Done at Brussels,

For the European Parliament

For the Council

The President

The President
ANNEX
to 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

Annex

(1) Section 2 is amended as follows:

(a) in point (b), the following paragraphs are added:

‘EFSI support to motorways shall be limited to public and/or private investment in transport in cohesion countries, less developed regions or in cross-border transport projects or, if it is necessary to upgrade, maintain or improve road safety, develop ITS devices or guarantee the integrity and standards of existing motorways on the trans-European transport network, in particular safe parking areas, alternative clean fuels stations and electric charging systems.

EFSI support shall also be explicitly possible for maintaining and upgrading existing transport infrastructure.’;

(b) in point (c), the second sentence is replaced by the following:

'In this context, it is expected that the EIB will provide finance under the EFSI with a view to reach an overall target of at least EUR 500 000 000 000 of public or private investment, including financing mobilised through the EIF under EFSI operations relating to the instruments referred to in Article 10(2)(b), national promotional banks or institutions and increased access to financing for entities having up to 3 000 employees.';

(2) in Section 3, point (d) is added:

'(d) the presence of one or more of the following features would typically lead to a classification of an operation as special activities:

– subordination in relation to other lenders, including national promotional banks and private lenders;

– participation in risk sharing instruments where the position taken exposes EIB to high risk levels;

– exposure to specific risks, such as unproven technology, dependency on new, inexperienced or high risk counterparts, novel financial structures or risk for the EIB, the sector or geography in question;

– equity type characteristics, such as performance-linked payments; or

– other identifiable aspects leading to higher risk exposure as per the credit risk policy guidelines of the EIB;'

(2 a) in Section 3, the following point is added:
‘(d a) attention shall be paid to region-specific conditions when assessing the additionality.’

(3) in Section 5, the following sentence is added:

'The scoreboard shall be made public as soon as an operation under the EU guarantee is signed, with the exclusion of commercially sensitive information.';

(4) Section 6 is amended as follows:

(a) point (b) is amended as follows:

(i) in the first indent, the first and second sentences are replaced by the following:

‘For debt-type operations, the EIB or the EIF shall carry out its standard risk assessment, involving the computation of the probability of default and the recovery rate. Based on these parameters, the EIB or the EIF shall quantify the risk for each operation.’;

(ii) in the second indent, the first sentence is replaced by the following:

‘Each debt-type operation shall receive a risk classification (the Transaction Loan Grading) as per the EIB’s or the EIF’s system of loan gradings.’;

(iii) in the third indent, the first sentence is replaced by the following:

‘Projects shall be economically and technically viable and the EIB’s financing shall be structured in line with sound banking principles and comply with the high level risk management principles set by the EIB or the EIF in its internal guidelines.’;

(iii a) the fourth indent is replaced by the following:

‘Debt-type products shall be priced in line with the provisions of this Regulation.’

(b) point (c) is amended as follows:

(i) in the first indent, the second sentence is replaced by the following:

'The determination whether an operation bears equity-type risks or not, irrespective of its legal form and nomenclature, shall be based on the EIB’s or the EIF’s standard assessment.’;

(ii) in the second indent, the first sentence is replaced by the following:

'The EIB’s equity-type operations shall be carried out in accordance with the EIB’s or the EIF’s internal rules and procedures.’;

(ii a) the third indent is replaced by the following:

‘Equity-type investments shall be priced in line with the provisions of this Regulation.’

(5) in Section 7 point (c), the word 'initial' is deleted;

(6) Section 8 is amended as follows:
(a) in the second sentence of the first subparagraph, the word 'initial' is deleted;
(b) in the first sentence of the first subparagraph of point (a), the word 'initial' is deleted;
(c) in the first sentence of point (b), the word 'initial' is deleted.
3.4.2017

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY (*)

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


Rapporteur: Eva Kaili

(*) Associated committee – Rule 54 of the Rules of Procedure

SHORT JUSTIFICATION

The current low levels in growth and recovery of the post-crisis European Union is the result of a decline in output, triggered by factors like the slow-down in technological progress, a structural shift to low productivity sectors and high leverage ratios. It is thus, paramount, to concentrate our forces in a coordinated effort to avoid the dangers of secular stagnation in an economically-, environmentally- and socially-responsible way.

ITRE, in line with its remit, places in the core of its priorities the optimization of the energy sector, the telecommunications sector, the digital technologies, R&I, SMEs and the new and the traditional industrial frameworks. These sectors underpin the much-needed acceleration of European productivity.

Your rapporteur believes that EFSI 2.0 is an opportunity to accelerate the European output as well as a dynamic instrument that has the potential to re-shape the current investment framework in the EU, by harmonizing the economical ecosystem, cutting red-tape and removing coordination inefficiencies and structural frictions.

EFSI, however, is not a cohesion policy instrument. It is, rather, meant to be a stimulant of the economic capacity of the EU that should help all Member-States to cover their investment gaps. EFSI is an added-value mechanism aiming to augment and complement, and not compete with the existing financial resources and facilities. A basic corollary from that is that EFSI, should never, neither now, nor in the future, replace cohesion funds and similar instruments.

In order for EFSI to be successful in its investment targets it should enhance the realisation of the economic potential of each Member States, both in geographic and in sectorial terms.
Unfortunately, EFSI has not yet met the challenge of geographic and sectorial diversification.

Your rapporteur emphasizes the EU cannot return to growth and create jobs and prosperity through a “business-as-usual” attitude. It requires a medium- to long-term effort and persistence. It is not a sprint. It is a marathon race. The EIB and the Commission, as the two institutions primarily responsible for implementing EFSI, should adhere to this mentality. The aim is not to disburse money as fast as possible. The content, the additionality and the geographical spread matter more than the speed at which funds are absorbed.

This ITRE opinion, focuses especially on the fields of energy, telecommunication, research, digital technologies, and SMEs and concentrates on the current weaknesses of EFSI to address sectorial and geographical market-failures and sub-optimal investment situations, which should now be remedied in EFSI 2.0.

Based on the aforementioned reasoning, your rapporteur proposes the following amendments to EFSI 2.0:

- EFSI-supported projects should be more additional. The EIB should enhance its capacity to accept riskier projects, both through risk-sharing instruments and first-loss guarantees that will are particularly useful for infrastructure projects.
- Transparency and accountability in the selection process should be a crucial ex-ante requirement for the criterion of additionality and the implementation of the EFSI regulation and should be safeguarded by EFSI 2.0.
- Geographical diversification must be secured by explicitly addressing the problem of diverse risk premia charged for similar projects in different parts of EU, that derive from the different risk-profiles of the Member States.
- The third pillar of the Investment Plan for Europe (removing barriers to investment) is a necessary condition for the success of EFSI, but it cannot be used as an alibi to legitimize the poor absorption of EFSI especially from the Cohesion Countries or the Member States who suffered more from the recent financial crisis.
- The Commission should work closely with the EIB to strengthen the role of National Promotional Institutions and to establish them in Member States that do not have one.
- In order to attract fresh money, the Commission should work closely with the Financial Regulatory Authorities of the EU in order to allow Financial Institutions to invest more in long-term infrastructure projects by relaxing related regulatory restrictions in their balance sheets.
- The strict implementation of the Stability and Growth Pact should not be an impediment for Member States to use EFSI for investments in infrastructure. The Commission should adopt policies in this direction.
- Special emphasis should be put on pro-growth and job-creation projects in remote areas or in less-developed regions.
- CEF grants and other related facilities should not compete with EFSI or with its market-driven orientation aiming to crowd in “fresh money” and mobilize idle capital. An optimal blending of resources is thus necessary for the success of launching investment in EU. The regulatory framework that allows this blending should be taken into consideration. The Financial Regulation Omnibus is expected to help in this direction.
Multinational infrastructure projects should be expanded. The Commission should strive for harmonization among the regulatory diversities Member States. This is necessary for the acceleration of infrastructure projects that involve two or more Member States or cross-border ones.

The strengthening and expansion of the role of the EIAH is critical for the success of EFSI. It should assist local authorities, NPIs and investors, facilitate the creation of investment platforms when they are necessary, help in the formation of SPVs and PPPs, as well as advise stakeholders about innovative sources of funding, especially in infrastructure projects, energy projects and digital sector projects.

In line with COP21 commitments EFSI should support at least up to 40% projects that contribute to the climate action, including at least 20% financing to energy efficiency projects. Fossil fuel projects shall be avoided.

In line with the competitive advantages the EU has in the field of digital technologies, EFSI should put the forward-looking digital sector to the top of its financing priorities, especially projects that expand the capacity and infrastructure of connectivity, cybersecurity, networks, blockchain platforms, Internet of Things and so on. This prioritization should be strengthened by experts from those sectors in the EIAH and the decision-making governance of EIB.

EFSI should address the investment gap in research, especially in the pioneering and low TRL sectors that are expected to determine and shape the consumers’ demand in the coming 20 years.

The Commission and the EIB should work together for the proactive identification of non-cooperative jurisdictions and establish clear and publicly-available criteria that augment the legal certainty of EFSI without compromising Union standards on issues related to tax governance.

**AMENDMENTS**

The Committee on Industry, Research and Energy calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to take into account the following amendments:

**Amendment 1**

Proposal for a regulation
Recital 4

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<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<td>(4) The EFSI, implemented and co-sponsored by the EIB Group, is firmly on track to deliver the objective of mobilising at least EUR 315 billion in additional investments in the real economy by mid-</td>
<td>(4) In the first period of its implementation, the EFSI delivered significant and encouraging results. It is still too early to evaluate the full impact of the EFSI on closing the investment gaps,</td>
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2018. The market absorption has been particularly quick under the SME Window where the EFSI is delivering well beyond expectations. In July 2016 the SME Window was thus scaled-up by EUR 500 million within the existing parameters of Regulation (EU) No 2015/1017. A larger share of financing to be geared towards SMEs given the exceptional market demand for SME financing under the EFSI: 40% of the increased risk bearing capacity of the EFSI should be geared towards increasing access to financing for SMEs.

Amendment 2

Proposal for a regulation
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The EFSI is expected to mobilise the targeted EUR 315 billion in additional investments by mid-2018. However, there is no independent assessment, neither of those economic results nor of the societal and environmental impact of the EFSI. It is recalled that the primary aim of the EFSI is to support projects that provide citizens of the Union with long-term societal and environmental benefits, high quality long-term jobs and infrastructures.

Amendment 3

Proposal for a regulation
Recital 5
(5) On 28 June 2016, the European Council concluded that "the Investment Plan for Europe, in particular the European Fund for Strategic Investments (EFSI), has already delivered concrete results and is a major step to help mobilise private investment while making smart use of scarce budgetary resources. The Commission intends to soon put forward proposals on the future of the EFSI, which should be examined as a matter of urgency by the European Parliament and the Council."
Amendment 4
Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) **The EFSI was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. Given its success, the Commission is committed to the doubling of the EFSI, both in terms of duration and financial capacity.** The legal extension covers the period of the current Multiannual Financial Framework and should provide a total of at least half a trillion euro investments by 2020. In order to enhance the firepower of the EFSI even further and reach the aim of doubling the investment target, Member States should also contribute as a matter of priority.

Amendment

(6) **Given the positive indicators, the Commission is committed to the doubling of the EFSI, both in terms of duration and financial capacity.** The legal extension covers the period of the current Multiannual Financial Framework and should provide a total of at least half a trillion euro investments by 2020. In order to enhance the firepower of the EFSI even further and reach the aim of doubling the investment target, Member States should also contribute as a matter of priority.

Amendment 5
Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) **The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future job creation – including for the youth –, growth and competitiveness with strengthened additionality. They include investments in the areas of energy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport, as well as the digital transformation. In particular, the contribution of operations supported by the EFSI to achieving the Union’s ambitious targets set at the Paris Climate Conference (COP21) should be reinforced.**

Amendment

(8) **The extended EFSI should address remaining market-failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future in terms of high and sustainable levels of quality human capital, the creation of good quality jobs (especially for the youth), growth and competitiveness with strengthened additionality, as well in terms of increasing social cohesion, social inclusion, and hence enhancing the well-being of citizens of the Union. It should also include investments in the areas of energy, environment and climate action, and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport, tourism, as well as**
interconnection priority projects and energy efficiency projects should also be increasingly targeted. In addition, EFSI support to motorways should be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country. For reasons of clarity, although they are already eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support.

the digital transformation. In particular, the contribution of operations supported by the EFSI to achieving the Union's ambitious targets set at the Paris Climate Conference (COP21) and the Union 2050 commitment to reduce greenhouse gas emissions by 80-95% should be reinforced. Electricity interconnection priority projects, energy efficiency and circular economy projects, especially when they improve Union energy security, enabling private individuals and local communities and cooperatives to become actively involved, should also be increasingly targeted, along with the adaptation of energy grids and renewable energy generation storage and distribution as well as alternative energy resources for vehicles and the building sector. Findings so far show that the broad support provided by the EFSI to energy, energy efficiency and renewable energy projects has been accompanied by a corresponding reduction in ordinary EIB investments in those sectors, thereby nullifying the notion of additionality. EFSI-financed loans should be granted in addition to ordinary EIB investment operations. Similarly, in the digital sector, and within the scope of the ambitious Union policy on the Digital Economy, new digital infrastructure targets should be set in order to ensure the bridging of the digital divide and that the Union will be a global pioneer in the new age of the, so-called, internet of things, blockchain technology, and cyber- and network-security. Moreover, a criterion for the success of the EFSI should be the assistance provided to policy areas that suffered from cuts in investments in order to fund the EFSI, such as research grants, especially for low technology readiness levels. EFSI support to motorways should be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country. For reasons of clarity, although they are already
eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support. **EFSI support for fossil fuel projects, especially infrastructure and nuclear installations, should be avoided.**

**Amendment 6**

Proposal for a regulation  
Recital 8 a (new)

*Text proposed by the Commission*

(8a) *It should be noted that in its EFSI-supported special activities, the EIB makes systematic use of participation in risk-sharing instruments with its co-investors. The EIB should therefore intervene, as a matter of course where blending is concerned and where necessary in other cases, by providing first loss guarantees for the activities concerned in order to optimise the additionality of the EFSI facility and mobilise more private funds.*

**Amendment 7**

Proposal for a regulation  
Recital 8 b (new)

*Text proposed by the Commission*

(8b) *It should be borne in mind that the leading global powers have all created military-industrial complexes in order to stay ahead of the competition in technological and scientific terms. It is therefore imperative that the Union does the same by allocating large sums, in particular through the EFSI, to the creation of a Union defence industry which, as a result of its research and development work, will have a significant...*
Amendment 8

Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) Additionality, a key feature of the EFSI, should be strengthened in the selection of projects. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, including e-infrastructure, should be considered additional given their inherent difficulty and their high added value for the Union.

Amendment

(9) Additionality, a key feature of the EFSI, should be systematically assessed, documented and reported in each project. The EIB should publish analytical data for each funded project, giving ex ante and ex post assessments of each project together with a detailed explanation of the selection and assessment indicators and criteria used. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. Additionality should also be augmented by geographical factors such as the origin of the beneficiary or the geographical destination of the project. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, especially if at least one Member-State is a cohesion country, including e-infrastructure, should be considered additional given their inherent difficulty and their high added value for the Union. Moreover, projects supported by the EFSI should also be considered as providing additionality when generating long-term social and environmental benefits. An activity report on how and to what extent social and environmental factors were taken into consideration should be drawn up.

Amendment 9

Proposal for a regulation
Recital 9 a (new)
The EIB has already developed a range of products that facilitate further risk-taking through, predominantly, risk-sharing instruments with its co-investors. The EIB should intervene by providing first-loss-guarantees in order to optimise the additionality of the EFSI and mobilise more private funds and accelerate investments, especially in the infrastructures sector.

(9b) Transparency in the eligibility, approval and selection stages of projects is an essential condition and is to be reflected in the governance structure of the decision-making process. The role of the Steering and Investment Committees should be further clarified. The result of their decisions in the selection procedure should ensure additionality and the basis on which a project is rejected should be disclosed. It is therefore important to continually confirm the accountability of the decision-makers in order to ensure that any difficulties in the implementation of Regulation (EU) 2015/1017 are not repeated in this Regulation. Moreover, the Commission should work promptly in the formation of pre-defined, clear, objective, and publicly-available criteria that reduce legal uncertainty and improve tax governance, especially when the investment activities involve entities with links to non-cooperative jurisdictions. Transparency is also necessary in the methodology that the EIB uses to define the interest rate for its financing activities through the EFSI. Excessive country risk
premia should not serve as a deterrent for the participation of beneficiaries from disadvantaged Member States.

Amendment 11
Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union budget, such as those available under the Connecting Europe Facility, and financing from EIB Group, including EIB financing under the EFSI, as well as other investors should be encouraged. Blending aims to enhance the value added of Union spending by attracting additional resources from private investors and to ensure the actions supported become economically and financially viable.

Amendment

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union budget, such as those available under the Connecting Europe Facility, and financing from EIB Group, including EIB financing under the EFSI, as well as other investors should be encouraged. Blending aims to enhance the value added of Union spending by attracting additional resources from private investors and to ensure the actions supported become economically and financially viable. In view of the inherent complexity of those instruments, the EIAH should also give guidance on the optimal choice of funding instruments and blending. Moreover the EIAH, being a market-driven instrument providing advice on investment on various market sectors, should, where appropriate, also provide access to expertise to other advisory entities with relevant specialised knowledge of specific market sectors. Encouragement of further collaboration between the EIAH and other advisory entities is critical for the success of the EFSI, especially in market areas and niches where higher specialisation and deeper know-how is needed.

Amendment 12
Proposal for a regulation
Recital 10 a (new)
Amendment 13
Proposal for a regulation
Recital 11

In order to improve the performance of the EFSI at both national and regional level, there is a need to step up cooperation between the EIB, which steers the EFSI, and the national promotional banks or institutions.

Amendment 13
Proposal for a regulation
Recital 11

In order to reinforce the take-up of the EFSI in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged.

(11) In order to reinforce the uptake of the EFSI in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged to ensure a balanced distribution of projects across the Union, so that all Member States have access to finance. With a view to contributing to the Union objective of economic, social and territorial cohesion, reduction of regional disparities, increase in good quality jobs and the broadening of the productive base of Member States, especially for the Member States most affected by the financial crisis or regions that are not within the Union average in terms of GDP growth, the geographical balance of EFSI support needs to be enhanced, in line with the geographical diversification and concentration guidelines and by strengthening the role of the EIAH. That should be done whilst preserving the market-driven nature of the EFSI.

Amendment 14
Proposal for a regulation
Recital 14
(14) 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, a **transfer** should **be made from** the available envelope of the Connecting Europe Facility (CEF), provided for in **Regulation (EU) No 1316/2013 of the European Parliament and of the Council**. Moreover, EUR 1 145 797 000 of appropriations should be transferred from the CEF financial instruments to the grant part of the CEF with a view to facilitating blending with the EFSI or to other relevant instruments, in particular those dedicated to energy efficiency.

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Amendment 15
Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) On the basis of the experience acquired with the investments supported by the EFSI, the target amount of the guarantee fund should be brought to 35% of the total EU guarantee obligations ensuring an adequate level of protection.

Amendment

(15) On the basis of the experience acquired with the investments supported by the EFSI, the target amount of the guarantee fund should be brought to 32% of the total EU guarantee obligations ensuring an adequate level of protection.

Amendment 16
Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

(15a) It is paramount to evaluate whether, and to what extent, the strict implementation of the Stability and Growth Pact presents an obstacle for some Member States, especially for those that suffered more from the recent financial crisis, in participating directly in the EFSI or indirectly by contributing with public financing to individual projects and investment platforms. It is also essential to investigate if treating direct or indirect contributions from Member States and regional or local administrations as ‘one-offs’ under the Stability and Growth Pact results in more jobs and growth. Those measures will support Member States in implementing the necessary reforms that are essential in consolidating the growth of local economies.

Amendment

Amendment 17
Proposal for a regulation
Recital 15 b (new)
**Text proposed by the Commission**

**Amendment**

(15b) It is also to be noted that the EFSI is a financial facility created to add value to the existing financial instruments, such as ESIFs, Cohesion Funds and CEF, and not to compete with them. In addition, any further expansion of the EFSI beyond the current MFF should explore alternative sources of funding other than those indicated by Regulation (EU) No 1291/2013, in view of the challenges posed to the Union’s position as a global leader in science, research and discovery. Consequently, the EFSI should not replace (or partly replace) the existing cohesion and structural funds and related facilities or compromise and reduce their importance.

**Amendment 18**

**Proposal for a regulation**

**Recital 16**

Text proposed by the Commission

(16) In line with the exceptional market demand for SME financing under the EFSI which is expected to continue, the EFSI SME Window should be enhanced. Particular attention should be paid to social enterprises, including through the development and deployment of new instruments.

**Amendment**

(16) In line with the exceptional market demand for SME financing under the EFSI, the EFSI SME Window should be enhanced with additional resources, as well as the support capacities for SMEs of the advisory hub. Particular attention should be paid to social enterprises.

**Amendment 19**

**Proposal for a regulation**

**Recital 17**

Text proposed by the Commission

(17) The EIB and the EIF should ensure that the final beneficiaries, including

**Amendment**

(17) The EIB and the EIF should ensure that the final beneficiaries, including start-
SMEs, are informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017. The EFSI logo should be prominently placed in the financing agreement, particularly in the case of SMEs, so as to increase the visibility of the EFSI as a Union initiative.

Amendment 20
Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The European Investment Advisory Hub (EIAH) should be enhanced and its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects involving two or more Member States and projects that contribute to achieving the objectives of COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms and provide advice on the combination of other sources of Union funding with the EFSI.

Amendment

(21) The European Investment Advisory Hub (EIAH) should be enhanced through increased accessibility and transparency, and its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects providing genuine additionality, involving two or more Member States or projects in on-border regions and projects that contribute to achieving the objectives of COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating and aggregating projects by strengthening its local presence in Member States with limited capacity but high investment potential. Increased funding is necessary to enable the EIAH to create offices that act as decentralised regional clusters of technical assistance and to ensure that information material is available in all the languages of the Member States. It should also take into account the specificities of Member States, such as maturity of financial markets, the limited experience
in the use of complex financial instruments, as well as specific obstacles related to the development and implementation of projects. It should also actively collaborate with established national promotional banks or institutions, work with the Commission in order to facilitate Member States in the establishment of NPBs to the establishment of sectorial, thematic or regional investment platforms and provide advice on the combination of other sources of Union funding with the EFSI, as well as providing information about the respective eligibility criteria to be respected by those funds.

Amendment 21
Proposal for a regulation
Recital 21 a (new)

Text proposed by the Commission

\[(21a)\] A positive view should be taken of the possibility for certain EFSI funding to be offered in the form of participation in the projects financed. In light of the possibility for certain financing to be offered in that form, it is appropriate to integrate such a system into public projects submitted for funding.

Amendment 22
Proposal for a regulation
Recital 22

Text proposed by the Commission

\[(22)\] Regulation (EU) No 1316/2013 and Regulation (EU) No 2015/1017 should therefore be amended accordingly,

Amendment 23
Proposal for a regulation
Article 1 – paragraph 1 – point 2
To better address market failures or sub-optimal investment situations, EIB special activities supported by the EFSI shall typically have features such as subordination, participation in risk-sharing instruments, cross-border characteristics, exposure to specific risks or other identifiable aspects as further described in Annex II.

The EIB’s special activities supported by the EFSI shall better address economic and financial inefficiencies, market failures and sub-optimal investment situations, including discrepancies in the investment capacity of Member States and their diverse risk premia, leveraging frictions, weak investment multipliers, complicated multi-national and cross-border projects and aversion to risk investment, especially in research, innovation, new technologies, as well as existing and new infrastructures.

To that end, these special activities shall typically have features such as subordination, participation in risk-sharing instruments, first-loss guarantee schemes in the event that the EFSI is combined with Union and/or national budgetary resources, cross-border characteristics, and exposure to specific risks or other identifiable aspects as further described in Annex II. The EFSI shall maximise the number of projects and the number of final beneficiaries and the potential leverage effect.

EIB projects carrying a risk lower than the minimum risk under EIB special activities may also be supported by the EFSI if the use of the EU guarantee is required to ensure additionality as defined in the first subparagraph of this paragraph.

EIB projects carrying a risk lower than the minimum risk under EIB special activities shall not be supported by the EFSI unless the use of the EU guarantee is necessary to ensure additionality as defined in the first subparagraph of this paragraph and provided that those projects cannot be funded under better terms through other sources of financing.

The projects supported by the EFSI that consist of physical infrastructure linking two or more Member States or of the extension of physical infrastructure or services linked to physical infrastructure from one Member State to one or more Member States, shall also be considered to...
provide additionality.

Additionality shall also be linked to the innovative nature and long-term societal and environmental benefits of the projects and their potentially longer-term and higher-risk financing needs.

Moreover, in order to better reach sectors where the demand for financing cannot be sufficiently met by the private market and where the nature and size of operations and loan requirements mean it is not possible to access funding through classic EIB activities, the EFSI should also support sector-specific financial mechanisms, in particular for cultural and creative industries (CCI), provided for under Union framework programmes such as the guarantee facility within the Creative Europe programme through the provision of guarantees for topping-up and front-loading of those mechanisms.

Moreover, when the EFSI is combined with other funds, such as CEF, Horizon 2020 and ESIFs, the additionality criterion shall apply and the highest risk tranche shall be covered by the EFSI. However, financing through the EFSI shall not replace grants under Union funding such as ESIF, CEF and Horizon 2020.

Amendment 24

Proposal for a regulation
Article 1 – paragraph 1 – point 2 a (new)
Regulation (EU) 2015/1017
Article 5 – paragraph 2 a (new)

(Text proposed by the Commission)

Amendment

(2a) In Article 5 the following paragraph is inserted:

‘2a. To that end, and so as to ensure that the additionality criterion includes more than just the financial or the risk variables, the EFSI shall assess the
Amendment 25

Proposal for a regulation
Article 1 – paragraph 1 – point 3 a (new)
Regulation (EU) 2015/1017
Article 6 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

(3a) In Article 6(1) the following subparagraph is added:

‘The Investment Committee shall be responsible for ensuring that overall, projects under the EU guarantee foster social and regional cohesion across the Union.’

Amendment 26

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point a – point - i (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 8 – point d

Present text

Amendment

(-i) point (d) is replaced by the following:

'(d) information and communication technologies infrastructures;

'(d) information, cyber security, networks, block chain and communications technologies infrastructures;’

Amendment 27

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point a – point i a (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 8 – point f
Present text: Amendment

(iia) point (f) is replaced by the following:

'(f) human capital development, education and training;'

Amendment 28

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point a – point -ii (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 8 – point h

Present text: Amendment

(ii) point (h) is replaced by the following:

'(h) startups and SMEs;'

Amendment 29

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point a – point ii a (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 8 – point l a (new)

Text proposed by the Commission: Amendment

(iia) The following point is added:

'(la) defence'.

Amendment 30

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point d
Regulation (EU) 2015/1017
Article 7 – paragraph 12 – subparagraph 2 – second sentence

Present text: Amendment

Decisions approving the use of the EU guarantee shall be public and accessible, and include the rationale for the decision, Decisions approving the use of the EU guarantee shall be made public and accessible together with detailed minutes,
with particular focus on compliance with the additionality criterion. **The publication shall not contain commercially sensitive information.** In reaching its decision, the Investment Committee shall be supported by the documentation provided by the EIB.

and **shall** include the rationale for the decision, with particular focus on compliance with the additionality criterion. **In its proposal, the Investment Committee shall give employment and sustainability more weight. Publications shall not contain commercially sensitive information.** In reaching its decision, the Investment Committee shall be supported by the documentation provided by the EIB. **Each project approved under the EFSI should be accompanied by a substantiated and verifiable justification by the Steering Committee concerning additionality. The assessment of additionality of individual projects shall be detailed, especially in relation to the market failures which the EFSI seeks to address.**

**The scoreboard shall function as a priority-setting tool for each EFSI project and shall also be publicly available after the evaluation of projects applying for the use of the EU guarantee. Furthermore, the scoreboard of indicators shall be used by the Investment Committee to ensure an independent and transparent assessment of the potential and actual use of the EU guarantee, and to prioritise the use of the EU guarantee for operations that display higher scores and additionality.**

**Amendment 31**

**Proposal for a regulation**

Article 1 – paragraph 1 – point 5 – point - a (new)

Regulation (EU) 2015/1017

Article 9 – paragraph 2 – points e – points ia to ic(new)

*Text proposed by the Commission*

Amendment

(aa) in paragraph 9(2) (e) the following subpoints are inserted:

‘(ia) blockchain technology;

(ib) internet of things;

(ic) cybersecurity and network protection
Amendment 32

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point a a (new)
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – point i a (new)

Text proposed by the Commission

Amendment

(aa) in paragraph 2, the following point is added:
‘(ia) support for Union initiatives in the defence sector, in particular via:
(i) research and development at Union level;
(ii) the development of the Union’s defence capabilities;
(iii) SMEs and mid-caps in the field of defence.’

Amendment 33

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point b
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – subparagraph 1 a

Text proposed by the Commission

The EIB shall target that at least 40 % of EFSI financing under the infrastructure and innovation window supports projects with components that contribute to climate action, in line with the COP21 commitments. The Steering Board shall provide detailed guidance to that end;

Amendment

The EFSI Steering Board and the Investment Committee shall make sure that each supported project is in line with the criteria set out in this Regulation and that each helps to reach the Union’s climate goals and boost its transition to sustainability. At least 40% of EFSI financing under the Infrastructure and Innovation Window shall be earmarked for projects directly accomplishing the COP21 commitments, as well as the EU2050 commitments to reduce greenhouse gas emission by 80-95%. Moreover, at least 20% of EFSI financing...
shall support energy efficiency projects, prioritising small-scale innovative projects in the building sector, with special attention given to projects eliminating social inequalities and fighting energy poverty. EFSI financing for SMEs and mid-cap companies shall not be included in that computation.

Amendment 34
Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point d a (new)
Regulation (EU) 2015/1017
Article 9 – paragraph 7 – subparagraph 2 a (new)

Text proposed by the Commission
Amendment

The rules on flexibility and the implementation of the Stability and Growth Pact under the preventive and corrective arm of the Pact shall not restrict the participation of Member States in the EFSI. Therefore, in order to serve the objective of the EFSI to create jobs and growth, when Member States and regional and local administrations co-finance single projects supported by the EFSI, their participation shall be considered as one-off contributions under the Stability and Growth Pact.

Amendment 35
Proposal for a regulation
Article 1 – paragraph 1 – point 8 – point a
Regulation (EU) 2015/1017
Article 12 – paragraph 5

Text proposed by the Commission
Amendment

5. Endowments to the guarantee fund referred to under paragraph 2 shall be used to reach an appropriate level (target amount) to reflect the total EU guarantee obligations. The target amount shall be set at 35% of the total EU guarantee

5. Endowments to the guarantee fund referred to under paragraph 2 shall be used to reach an appropriate level (target amount) to reflect the total EU guarantee obligations. The target amount shall be set at 32% of the total EU guarantee
Amendment 36

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point a – point ii
Regulation (EU) 2015/1017
Article 14 – paragraph 1 – subparagraph 2 – second sentence

Text proposed by the Commission
It shall also support the preparation of climate action and circular economy projects or components thereof, in particular in the context of COP21, the preparation of projects in the digital sector, as well as the preparation of projects referred to in the fifth subparagraph of Article 5(1);

Amendment
It shall also support the preparation of climate action and circular economy projects or components thereof, in particular in the context of COP21, the preparation of ambitious cross-border projects, projects in research and innovation such as the digital and telecommunications sector, as well as the preparation of projects referred to in the fifth subparagraph of Article 5(1);

Amendment 37

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point i
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point c

Text proposed by the Commission
(c) leveraging local knowledge to facilitate EFSI support across the Union and contributing where possible to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations;

Amendment
(c) leveraging local and regional knowledge to facilitate EFSI support across the Union and contributing to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB as well as the project developers to originate and aggregate operations;

Amendment 38

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point ii
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point e

_text proposed by the Commission_

(e) providing pro-active support on the establishment of investment platforms;

 Amendmen
t

(e) providing pro-active support on the establishment of investment platforms, whenever needed. Investment platforms are an essential tool to deal with market failures, especially in the financing of multiple, regional, or thematic projects, including energy efficiency projects, and cross-border projects. Since the creation of investment platforms in the Union is not commensurate with the actual needs of the market, further attention shall be given to widening the scope and the use of investment platforms so as to enable the efficient aggregation of small projects;

Amendment 39

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point iii
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point f

_text proposed by the Commission_

(f) providing advice on the combination of other sources of Union funding (such as the European Structural and Investment Funds, Horizon 2020 and the Connecting Europe Facility) with the EFSI;

 Amendmen
t

(f) providing advice on the combination of EFSI with other sources of Union funding such as the ESIFs, Horizon 2020 (including inter alia the European Institute of Innovation and Technology) and the CEF, thus facilitating the optimal blending of various Union resources. That shall be done in a manner that does not disincentivise crowding-in or the mobilisation of fresh money or idle capital;
Amendment 40

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point iii a (new)
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point fa (new)

Text proposed by the Commission

(iii a) The following point is added:
‘(fa) providing advice for projects involving two or more Member States and providing support for the setting up of special-purpose vehicles or other ad hoc bodies, including decentralised clusters of technical assistance to better meet the needs of a specific sector and/or a region, such as energy efficiency projects in south-eastern Member States. Advice shall also be provided for multi-national, intra-regional, multi-regional and cross-border projects, as well as on the possible combination with other sources of Union financing, including funds which involve Union territorial cooperation.’

Amendment 41

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point iii b (new)
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point fb (new)

Text proposed by the Commission

(iii b) The following point is added:
‘(fb) providing additional support for Member States whose financial and capital markets have been severely harmed by the recent financial crisis and which are therefore facing significant investment gaps in strategic sectors that provide long-term competitive advantages, including in risky and less developed...
5. In order to achieve the objective referred to in paragraph 1 and to facilitate the provision of advisory support at local level, the EIAH shall seek to use the expertise of the EIB, the Commission, national promotional banks or institutions, and the managing authorities of the European Structural and Investment Funds.

Amendment 43

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point d a (new)
Regulation (EU) 2015/1017
Article 14 – paragraph 7

"7. The Union shall contribute up to a maximum of EUR 20 000 000 per annum towards covering the costs of EIAH operations until 31 December 2020 for the services provided by the EIAH under paragraph 2 which are in addition to those already available under other Union programmes, insofar as those costs are not covered by the remaining amount from fees referred to in paragraph 4."

Present text

‘7. The Union shall contribute the amount necessary, with a minimum of EUR 20 000 000 per annum towards covering the costs of EIAH operations until 31 December 2020 for it to fulfil its enhanced responsibilities and intensify the services provided by the EIAH under paragraph 2 which are in addition to those already available under other Union programmes, insofar as those costs are not covered by the remaining amount from fees referred to in paragraph 4.’.
Amendment 44

Proposal for a regulation
Article 1 – paragraph 1 – point 10 – point b
Regulation (EU) 2015/1017
Article 18 – paragraphs 7 and 8

Text proposed by the Commission

(b) paragraphs 7 and 8 are deleted.; deleted

Amendment 45

Proposal for a regulation
Article 1 – paragraph 1 – point 11
Regulation (EU) 2015/1017
Article 19 – paragraph 1 a

Text proposed by the Commission
The EIB and EIF shall inform or shall oblige financial intermediaries to inform the final beneficiaries, including SMEs, of the existence of EFSI support.;

Amendment
The EIB and EIF shall inform, or shall oblige financial intermediaries to inform, the final beneficiaries, including SMEs, of the existence of EFSI support and shall make that information prominently visible, particularly in the case of SMEs, in the financing agreement and on every contract that includes EFSI support, thereby increasing public awareness and improving visibility;

Amendment 46

Proposal for a regulation
Article 1 – paragraph 1 – point 12
Regulation (EU) 2015/1017
Article 22 – paragraph 1 – subparagraph 4

Text proposed by the Commission
The Commission shall provide detailed guidance, where needed;

Amendment
The Commission shall provide detailed guidance, where needed. In addition, the Commission shall be responsible for the identification of standard criteria and definitions to ensure transparency on issues related to tax governance. Moreover, the Commission shall submit
an annual report listing the details of all projects per policy area that have received Union support through the EFSI, including the total amount of the contribution of each source as well as the risk profiles. Also, the EIB, in its financing and investment operations, shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorism financing, including a requirement to take reasonable measures to identify the beneficial owners where applicable.

Amendment 47

Proposal for a regulation
Article 2 – paragraph 1 – point 1
Regulation (EU) No 1316/2013
Article 5 – paragraph 1 – point b

Text proposed by the Commission
(b) telecommunications sector: EUR 1 091 602 000;

Amendment
(b) telecommunications sector: EUR 1 141 602 000;

Amendment 48

Proposal for a regulation
Article 2 – paragraph 1 – point 1
Regulation (EU) No 1316/2013
Article 5 – paragraph 1 – point c

Text proposed by the Commission
(c) energy sector: EUR 5 005 075 000.

Amendment
(c) energy sector: EUR 5 350 075 000.
### PROCEDURE – COMMITTEE ASKED FOR OPINION

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<td>Rapporteur</td>
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| Result of final vote | +: 37  
-as: 13  
0: 6 |
| Substitutes present for the final vote | Pilar Ayuso, Rosa D’Amato, Françoise Grossetête, Barbara Kudrycka, Marian-Jean Marinescu, Victor Negrescu, Sofia Sakoraafa, Davor Škrlec, Theodor Dumitru Stolojan |
| Substitutes under Rule 200(2) present for the final vote | György Hölvényi, Julia Reda |
### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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<td>EFDD</td>
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<td>VERTS/ALE</td>
<td>Reinhard Bütikofer, Rebecca Harms, Julia Reda, Michel Reimon, Davor Škrlec</td>
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**Key to symbols:**
- + : in favour
  - - : against
  - 0 : abstention
28.3.2017

**OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM (*)**

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


Rapporteur: Inés Ayala Sender (*)

(*) Associated committee – Rule 54 of the Rules of Procedure

**SHORT JUSTIFICATION**

With the EFSI II proposal the Commission aims at extending the duration of the European Fund for Strategic Investments (EFSI) and making technical enhancements for the fund and the European Investment Advisory Hub (EIAH). An evaluation of the Commission on the use of the EU budget guarantee since the start of EFSI in July 2015 accompanies the proposal. The European Court of Auditors issued an opinion entitled “EFSI: an early proposal to extend and expand” (ECA Opinion 2/2016).

Regarding the established objectives of the EU transport policy and EFSI’s contribution to reaching them, your Rapporteur considers that the following elements of the proposal are of particular concern and should be the focus of this opinion:

- extension of the EFSI until the end of the current MFF and raising the investment target to EUR 500 bn (EFSI I: 315 bn), including an increase of the EU guarantee to EUR 26 bn (EFSI I: 16 bn) and adjusting the target rate of the EU guarantee fund to 35 % of total EU guarantee obligations (EFSI I: 50%), financed in part by a further transfer from the Connecting Europe Facility (CEF) by cutting EUR 155 mn in the transport and EUR 345 mn in the energy sector,
- enhanced additionality provisions for projects (which have to address market failures or sub-optimal investment situations), covering projects under the infrastructure and innovation window that link two or more Member States,
- additional focus on projects contributing towards COP21 climate policy objectives, to be targeted by at least 40% of EFSI financing in the infrastructure and innovation window,
exclusion of support to motorways, unless for private investment in cohesion countries or in cross-border projects with at least one cohesion country,

better technical assistance for projects involving several Member States, combining EFSI with other sources of EU funding, such as ESIF, Horizon 2020 and CEF, and facilitating geographical and sectorial diversification of the EFSI.

Your Rapporteur believes that EFSI should serve as an effective instrument in generating additional investments and jobs in transport infrastructure and mobility. The (limited) experience so far shows, however, that further measures are needed to better leverage the fund’s potential in the transport sector. In fact, with transport projects accounting for just 8% or EUR 11 bn of overall EFSI funded projects, there is significant room for improving the fund’s attractiveness for Members States, regional and local entities and project promoters in terms of financing, eligibility criteria and technical assistance.

EFSI can bring about added value in the area of transport if it works as a tool to complement, rather than rival, the successful and oversubscribed CEF programme. CEF funds the trans-European transport network under coherent long-term priorities that were agreed and are scrutinized by the co-legislators in a thorough process. Your Rapporteur opposes the further reallocation of funds to finance EFSI II and recalls that EUR 4 bn were taken away from CEF and Horizon 2020 already for EFSI I. New cuts are indeed not needed: the Commission’s evaluation of EFSI shows, instead, the target rate of the EU guarantee could be marginally adjusted. In fact, had the EFSI I target rate not been chosen at 50%, less cuts into CEF would have been needed from the outset. Finally, before deciding on any future continuation or modification of EFSI, the Commission should not only fully evaluate EFSI but also meet all legal obligations regarding the evaluation’s conclusions, as laid down by the co-legislators in the EFSI I regulation.

Against this background, your Rapporteur proposes to amend the Commission’s EFSI II proposal as follows:

- maintaining the current financial envelope for CEF and its transport section,
- adjustment of the target rate of the EU guarantee fund to 32 % of total EU guarantee obligations,
- the additionality provisions should include complex multi-national and cross-border projects, including the core corridors and other parts of the core network identified by CEF, SESAR and ERTMS, in order to boost the completion of TEN-T network projects that otherwise would not have been done considering the limited resources left in the CEF,
- the use of the EU guarantee should include a dedicated target share of 20% for transport, whilst contributing also to climate policy objectives,
- the participation of Members States, regional and local administrations in EFSI projects or instruments should be treated as “one-off” contributions, to be discounted from the structural fiscal effort expected to be accomplished by the Member States,
- European Groupings of Territorial Cooperation should qualify as eligible counterparts for the EU guarantee to ease cross border/ multinational projects,
- EFSI support of motorways should be possible for projects in line with TEN-T and transport policy objectives (e.g. serving road safety, developing ITS, maintaining TEN-T
roads),
- the role of the EIAH in advising regional authorities and project promoters, including for multinational and cross-border projects as well as promoting blending of EFSI with CEF, should be reinforced,
- maintaining Articles 18(7) and (8) which provide for the future of EFSI to be determined based on an independent evaluation.

AMENDMENTS

The Committee on Transport and Tourism calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation
Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) Efforts are needed to increase investments by ensuring greater transparency and better media coverage, by providing technical assistance at all stages of the project and encouraging the smarter use of financial resources.

Amendment 2

Proposal for a regulation
Recital 8

Text proposed by the Commission

Amendment

(8) The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future job creation – including for the youth –, growth and competitiveness with strengthened additionality. They include investments in the areas of energy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-
border and sustainable transport, as well as the digital transformation. In particular, the contribution of operations supported by the EFSI to achieving the Union's ambitious targets set at the Paris Climate Conference (COP21) should be reinforced. Energy interconnection priority projects and energy efficiency projects should also be increasingly targeted. In addition, EFSI support to motorways should be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country. For reasons of clarity, although they are already eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support.

Amendment 3

Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

(8a) In its EFSI-supported special activities, the EIB makes systematic use of participation in risk-sharing instruments with its co-investors. The EIB is therefore called upon, as part of those activities, to
Amendment 4
Proposal for a regulation
Recital 9

*Text proposed by the Commission*

(9) Additionality, a key feature of the EFSI, should be strengthened in the selection of projects. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, including e-infrastructure, should be considered additional given their inherent difficulty and their high added value for the Union.

*Amendment*

(9) Additionality, a key feature of the EFSI, should be strengthened in the selection of projects. In order to ensure that the entities that need to use the EFSI guarantee fund are better represented, it would be advisable to allow for rotation on the Steering Board, and to include members of different services of the European Commission, such as those responsible for transport and environment policies. In accordance with the additionality principle, operations should only be eligible if they address clearly identified market failures or sub-optimal investment situations. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, including e-infrastructure such as ERTMS, should be considered additional given their inherent difficulty and their high added value for the Union.

Amendment 5
Proposal for a regulation
Recital 10

*Text proposed by the Commission*

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union

*Amendment*

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union
budget, such as those available under the Connecting Europe Facility, and financing from EIB Group, including EIB financing under the EFSI, as well as other investors should be encouraged. Blending aims to enhance the value added of Union spending by attracting additional resources from private investors and to ensure the actions supported become economically and financially viable.

Amendment  6
Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

(10a) In order to improve the performance of the EFSI at both national and regional level, there is a need to step up cooperation between the EIB, which steers the EFSI, and the national promotional banks.

Amendment  7
Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) In order to reinforce the take-up of the EFSI in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged.

(11) In order to reinforce the take-up of the EFSI in less-developed, outermost and transition regions and correct geographical imbalances, the scope of the general objectives eligible for EFSI support should be enlarged.

Amendment  8
Proposal for a regulation
Recital 11 a (new)
Text proposed by the Commission

(11) In order to ensure optimum conditions for sustainability and success, projects should be rooted in, and carried out in cooperation with, the local and regional level.

Amendment 9
Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission

(13a) The current EFSI indicative target on the Infrastructure and Innovation Window (IIW) should be adapted accordingly and in proportion to the increase of the target of mobilising at least EUR 500 billion of private and public investment established in this regulation.

Amendment 10
Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) 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, a transfer should be made from the available envelope of the Connecting Europe Facility (CEF), provided for in Regulation (EU) No 1316/2013 of the European Parliament and of the Council. Moreover, EUR 1 145 797 000 of appropriations should be transferred from the CEF financial instruments to the grant part of the CEF with a view to facilitating blending with the EFSI or to other relevant instruments, in particular those dedicated to energy.

Amendment

(14) 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 appropriate adjustment to the target rate of the EU guarantee fund should allow the necessary increase in funding without the need to further reduce the scarce resources of the available envelope of the Connecting Europe Facility (CEF) and Horizon 2020, provided for in Regulations (EU) No 1316/2013 and No 1291/2013 of the European Parliament and of the Council as presented in the evaluation carried out by the Commission. Moreover,
efficiency.

EUR 1 145 797 000 of appropriations should be transferred from the CEF financial instruments to the grant part of the CEF with a view to facilitating blending with the EFSI or to other relevant instruments, in particular those dedicated to energy efficiency.


Amendment 11
Proposal for a regulation
Recital 16 a (new)

Text proposed by the Commission

(16a) EFSI has been effective in increasing the volume of EIB special activities in favour of SMEs, but has not been successful in boosting the volume of transport projects to a sufficient extent, especially in the cohesion countries. Given the high Union added value of transport projects and huge investment needs, it is therefore necessary to adopt further measures to better address the difficulties faced by Member States and project promoters in proposing infrastructure projects.

Amendment 12
Proposal for a regulation
Recital 16 b (new)

Text proposed by the Commission

(16b) Transport and mobility projects
can be difficult to finance, because of lower return rates, the long-term horizon of investments and higher levels of risk and uncertainty. In order to reduce existing sectorial imbalance of projects being financed by the EFSI and to tackle the problem of sub-optimal investments in transport infrastructure in the Union, the EIAH, together with the Commission, should adopt specific measures that would facilitate the blending of the EFSI with grants or other public financing available from the Union or national budgets in a simplified and less-bureaucratic manner.

Amendment 13
Proposal for a regulation
Recital 17

Text proposed by the Commission

(17) The EIB and the EIF should ensure that the final beneficiaries, including SMEs, are informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017.

Amendment

(17) The EIB and the EIF should publicise the EFSI in order to raise the profile of this important instrument. They should also ensure that the final beneficiaries, including SMEs, are informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017.

Amendment 14
Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) The operations supported by the EFSI should adhere to the Union's principles of tax good governance.

Amendment

(19) The operations supported by the EFSI should adhere to the Union's principles of tax good governance, given the need for a safer approach to prevent the fraudulent use thereof.
(21) The European Investment Advisory Hub (EIAH) should be enhanced and its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects involving two or more Member States and projects that contribute to achieving the objectives of COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms and provide advice on the combination of other sources of Union funding with the EFSI.

(21a) The European Semester for economic policy coordination is based on a detailed analysis of Member States' economic policies.
plans for budgetary, macroeconomic and structural reforms and provides Member States with country-specific recommendations. Against that background, the EIB should inform the Commission about its findings on barriers and bottlenecks to investment in Member States, identified when carrying out investment operations covered by this Regulation. The Commission should factor those findings, among others, into the work it undertakes in the context of improving the investment environment by removing sectorial and other barriers to investment.

Amendment 17
Proposal for a regulation
Recital 21 b (new)

Text proposed by the Commission

Amendment

(21b) Since a lack of structural reforms constitutes the greatest barrier to investment, EFSI support should also be tied to successful developments in economic and fiscal policy in the context of the European Semester, following the recommendations for countries both with surplus and deficit imbalances with cross border relevance.

Amendment 18
Proposal for a regulation
Recital 22

Text proposed by the Commission

Regulation (EU) No 1316/2013
Regulation (EU) No 2015/1017
Regulation (EU) No 2015/1017

Amendment

(22) Regulation (EU) No 2015/1017 should therefore be amended accordingly,
Amendment 19

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) 2015/1017
Article 5 – paragraph 1 – subparagraph 3

Text proposed by the Commission

‘To better address market failures or sub-optimal investment situations, EIB special activities supported by the EFSI shall typically have features such as subordination, participation in risk-sharing instruments, cross-border characteristics, exposure to specific risks or other identifiable aspects as further described in Annex II.’

Amendment

‘To better address market failures, complex multi-national, cross-border projects, or sub-optimal investment situations, EIB special activities supported by the EFSI shall typically have features such as subordination, participation in risk-sharing instruments, cross-border characteristics, exposure to specific risks or other identifiable aspects as further described in Annex II.’

Amendment 20

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) 2015/1017
Article 5 – paragraph 1 – subparagraph 5

Text proposed by the Commission

‘The projects supported by the EFSI that consist of physical infrastructure linking two or more Member States or of the extension of physical infrastructure or services linked to physical infrastructure from one Member State to one or more Member States, shall also be considered to provide additionality.’

Amendment

‘Projects supported by the EFSI that consist of physical infrastructure linking two or more Member States, projects included in Annex I to Regulation (EU) No 1316/2013 establishing the Connecting Europe Facility, projects implementing SESAR and ERTMS, and projects involving the extension of physical infrastructure or services linked to physical infrastructure from one Member State to one or more other Member States, shall also be considered to provide additionality. The Investment Committee shall consider that the projects meet the requirements set up in this paragraph in its selection procedure. The Investment Committee shall ensure that additionality
is verified in its selection procedure.

Amendment 21

Proposal for a regulation
Article 1 – paragraph 1 – point 3 a (new)
Regulation (EU) 2015/1017
Article 6 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(3a) In Article 6(1), the following point is added:

‘(ea) are less likely to attract funding from other sources and, at the same time, have a significant social impact.’

Amendment 22

Proposal for a regulation
Article 1 – paragraph 1 – point 3 b (new)
Regulation (EU) 2015/1017
Article 6 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

(3b) In Article 6(2), the following subparagraph is added:

‘Smaller projects and investments shall receive EFSI support, taking additionality into account and in close cooperation with national promotional banks.’

Amendment 23

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point -a (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 3 – subparagraph 1

Present text

Amendment

(-a) Article 7(3) is amended as follows:

The Steering Board shall comprise four members: three appointed by the

The Steering Board shall comprise four members: three appointed by the
Commission and one by the EIB. The Steering Board shall elect a Chairperson from among its members for a fixed term of three years, renewable once. The Steering Board shall take its decisions by consensus.

Amendment 24

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point -a a (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 4

Present text

4. Member States and other third parties may - subject in the case of other third parties to the agreement of the Steering Board - contribute to the EFSI in the form of guarantees or cash as regards Member States, and only in the form of cash as regards other third parties. Neither Member States nor other third parties shall be granted membership of the Steering Board, nor shall they be granted a role in the appointment of other EFSI staff including members of the Investment Committee, nor shall they have any right concerning other aspects of governance of the EFSI as set out in this Regulation.

Amendment

(-aa) Article 7(4) is amended as follows:

‘4. Member States and other third parties may - subject in the case of other third parties to the agreement of the Steering Board - contribute to the EFSI in the form of guarantees or cash as regards Member States, and in the same way as regards other third parties. Neither Member States nor other third parties shall be granted membership of the Steering Board, nor shall they be granted a role in the appointment of other EFSI staff including members of the Investment Committee, nor shall they have any right concerning other aspects of governance of the EFSI as set out in this Regulation.’

Amendment 25

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point -a b (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 5 – subparagraph 1

Present text

The EFSI Agreement shall provide that the

Amendment

(-ab) Article 7(5) is amended as follows:

‘The EFSI Agreement shall provide that
EFSI is to have a managing director, who is to be responsible for the day-to-day management of the EFSI and the preparation and chairing of meetings of the Investment Committee referred to in paragraph 6.

Amendment 26

Proposal for a regulation

*Article 1 – paragraph 1 – point 4 – point \-a c (new)*

Regulation (EU) 2015/1017

*Article 7 – paragraph 7 – subparagraph 1 a (new)*

*Text proposed by the Commission*

Amendment

(-ac) in Article 7, paragraph 7 the following paragraph is added:

*The Steering Board shall strengthen cooperation between the European Fund for Strategic Investments and the Structural Funds, the Connecting Europe facility and the Horizon 2020 programme in order to encourage combined financing and enhance the leveraging effect of European investments, particularly in transport.*

Amendment 27

Proposal for a regulation

*Article 1 – paragraph 1 – point 4 – point a – point ii a (new)*

Regulation (EU) 2015/1017

*Article 7 – paragraph 8 – point k a (new)*

*Text proposed by the Commission*

Amendment

(iiia) the following point (ka) is added:

‘(ka) defence.’;

Amendment 28

Proposal for a regulation

*Article 1 – paragraph 1 – point 5 – point a a (new)*

Regulation (EU) 2015/1017
Article 9 – paragraph 2 – point i a (new)

*Text proposed by the Commission*

(aa) In paragraph 2, the following point (ia) is added:

‘(ia) support for Union initiatives in the defence sector, in particular via:

(i) research and development at Union level;

(ii) the development of the Union’s defence capabilities;

(iii) SMEs and mid-caps in the field of defence;’

Amendment

Proposal for a regulation

Article 1 – paragraph 1 – point 5 – point b

Regulation (EU) 2015/1017

Article 9 – paragraph 2 – subparagraph 1 a

*Text proposed by the Commission*

‘The EIB shall target that at least 40 % of EFSI financing under the infrastructure and innovation window supports projects with components that contribute to climate action, in line with the COP21 commitments. The Steering Board shall provide detailed guidance to that end.‘;

*Amendment*

‘The EIB shall target that at least 40 % of EFSI financing under the infrastructure and innovation window supports projects that have a significant component of climate action, in line with the COP21 commitments. The Steering Board shall provide detailed guidance to that end;

The EIB shall endeavour to ensure that at least 20 % of EFSI financing supports projects related to the development of transport infrastructures, equipment and innovative technologies for transport, falling under point (c).

The EIB shall aim to achieve a geographically balanced distribution of investments between Member States.

Notwithstanding the objectives set out in this paragraph, projects approved for EFSI funding in human capital and health such as productive investments in hospitals and school facilities falling
under paragraph g) shall be carried out.’;

Amendment 30

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point b a (new)
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – point c – point iii a (new)

Text proposed by the Commission

Amendment

(ba) in paragraph 2(c), the following point is added:

'(iiiia) railway infrastructure and other rail projects;'

Amendment 31

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point i
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point c

Text proposed by the Commission

Amendment

‘(c) leveraging local knowledge to facilitate EFSI support across the Union and contributing where possible to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations;’

‘(c) leveraging regional and local knowledge to facilitate EFSI support across the Union and contributing to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB and project promoters to originate operations;’

Amendment 32

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point ii
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point e

Text proposed by the Commission

Amendment

(e) providing pro-active support on the establishment of investment platforms;

‘(e) providing pro-active support on the establishment of investment platforms,'
including sectorial investment platforms;'

Amendment 33

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point iii a (new)
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point f a (new)

Text proposed by the Commission

Amendment

(iiiia) the following point (fa) is added:

'(fa) providing advice for projects involving two or more Member States and support for the setting-up of financial vehicles for multinational or cross border projects;'
(c), (e) and (f) of Article 9(2), taking into account the latest Eurostat guidance on public debt accounting of PPPs.

Amendment 36

Proposal for a regulation

Article 1 – paragraph 1 – point 9 – point b a (new)

Regulation (EU) 2015/1017

Article 14 – paragraph 3 a (new)

Text proposed by the Commission

(ba) the following paragraph 3a is inserted:

‘3a. The EIAH shall ensure complementarity between the European Fund for Strategic Investments and other European programmes in order to improve the level of synergy, encourage combined financing and enhance the leveraging effect of European financial instruments.’

Amendment 37

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point b

Regulation (EU) 2015/1017

Article 18 – paragraph 7 and paragraph 8

Text proposed by the Commission

(b) paragraphs 7 and 8 are deleted.

Amendment 38

Proposal for a regulation

Article 1 – paragraph 1 – point 11 a (new)

Regulation (EU) 2015/1017

Article 19 – paragraph 1 b (new)

Text proposed by the Commission

(11a) in Article 19 the following
paragraph 1 b  is added:

'The EIB shall submit and publish on its website an annual report listing the details of each transport project that received EU supported through the EFSI fund indicating the corresponding amounts of the total investment expected.'

**Amendment 39**

**Proposal for a regulation**  
Annex I – point 1 – point a  
Regulation (EU) 2015/1017  
Annex II – section 2 – point b

**Text proposed by the Commission**

‘EFSI support to motorways shall be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country.’;

**Amendment**

‘EFSI support to motorways shall be limited to public and/or private investment in transport in cohesion countries, less developed regions or in cross-border transport projects or if it is necessary to upgrade and maintain, improve road safety, develop ITS devices or guarantee the integrity and standards of existing motorways on the trans-European transport network, in particular safe parking areas, alternative clean fuels stations and electric charging systems’;

**Amendment 40**

**Proposal for a regulation**  
Annex I – point 1 – point a  
Regulation (EU) 2015/1017  
Annex II – section 2 – point b – subparagraph 1 b (new)

**Text proposed by the Commission**

'The EFSI support shall also be explicitly possible for the maintenance and upgrading of existing transport infrastructure;'

**Amendment**

'The EFSI support shall also be explicitly possible for the maintenance and upgrading of existing transport infrastructure;'

**Amendment 41**
| **Proposal for a regulation**  
| **Annex – point 3**  
| **Regulation (EU) 2015/1017**  
| **Annex II – section 5**  

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<tr>
<th><strong>Text proposed by the Commission</strong></th>
<th><strong>Amendment</strong></th>
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<tbody>
<tr>
<td><em>The scoreboard shall be made public as soon as an operation under the EU guarantee is signed, with the exclusion of commercially sensitive information.</em></td>
<td><em>‘The scoreboard shall be made public as soon as an operation under the EU guarantee is approved, with the exclusion of commercially sensitive information. The Investment Committee shall provide Parliament with the scoreboard of indicators of all EFSI projects.’</em></td>
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**PROCEDURE – COMMITTEE ASKED FOR OPINION**

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<th>Title</th>
<th>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</th>
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<td>TRAN 3.10.2016</td>
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<td>Associated committees - date announced in plenary</td>
<td>19.1.2017</td>
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<tr>
<td>Rapporteur</td>
<td>Inés Ayala Sender 25.10.2016</td>
</tr>
<tr>
<td>Rule 55 – Joint committee procedure</td>
<td>19.1.2017</td>
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<tr>
<td>Discussed in committee</td>
<td>26.1.2017</td>
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<tr>
<td>Date adopted</td>
<td>23.3.2017</td>
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<td>Substitutes present for the final vote</td>
<td>Hugues Bayet, Mark Demesmaeker, Bas Eickhout, Markus Ferber, Maria Grapini, Franck Proust, Patricija Šulin, Matthijs van Miltenburg</td>
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<tr>
<td>Substitutes under Rule 200(2) present for the final vote</td>
<td>Herbert Dorfmann</td>
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### Final Vote by Roll Call in Committee Asked for Opinion

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<th>Members</th>
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<tr>
<td>ALDE</td>
<td>Gesine Meissner, Dominique Riquet, Pavel Telička, Matthijs van Miltenburg</td>
</tr>
<tr>
<td>ECR</td>
<td>Mark Demesmaeker, Jacqueline Foster, Roberts Zile</td>
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<td>S&amp;D</td>
<td>Lucy Anderson, Inés Ayala Sender, Ismail Ertug, Maria Grapini, Miltiadis Kyrkos, Jens Nilsson, Gabriele Preuß, Christine Revault D’Allonnes Bonnefoy, Claudia Ţapardel, István Ujhelyi, Janusz Zemke</td>
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<td>EFDD</td>
<td>Peter Lundgren, Jill Seymour</td>
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<tr>
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<td>Tania González Peñas, Merja Kyllönen</td>
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<tr>
<td>S&amp;D</td>
<td>Nicolas Bayet</td>
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<tr>
<td>Verts/ALE</td>
<td>Michael Cramer, Bas Eickhout, Keith Taylor</td>
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### Corrections to Final Vote and Voting Intentions

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<thead>
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<th>Symbol</th>
<th>Member</th>
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<tr>
<td>+</td>
<td>Hugues Bayet</td>
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<td>-</td>
<td></td>
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</tbody>
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**Key to symbols:**
+ : in favour
- : against
0 : abstention
OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

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


Rapporteur: Hannu Takkula

AMENDMENTS

The Committee on Budgetary Control calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation
Citation 5 a (new)

Text proposed by the Commission

Amendment

Having regard to the opinion No 2/2016 of the Court of Auditors\(^{1a}\),


Amendment 2

Proposal for a regulation
Recital 1
Since the Investment Plan for Europe was presented in November 2014, the conditions for an uptake in investment have improved and confidence in Europe’s economy and growth are returning. The Union is now in its fourth year of moderate recovery, with Gross Domestic Product growing at 2% in 2015. The comprehensive efforts initiated with the Investment Plan are already delivering concrete results, despite the fact that macroeconomic effects of larger investment projects cannot be immediate. Investment is expected to pick up gradually throughout 2016 and 2017 although it remains below historical levels.


On 1 June 2016 the Commission issued a Communication entitled ‘Europe investing again – Taking stock of the Investment Plan for Europe and next steps’ outlining the achievements of the Investment Plan so far and the envisaged next steps, including the extension of the European Fund for Strategic Investments (EFSI) beyond its initial three-year period, the scaling-up of the Small and Medium-sized Enterprises (SME) Window within the existing framework and the enhancement of the European Investment Advisory Hub (EIAH).
Proposal for a regulation
Recital 4 a (new)

Text proposed by the Commission
(4a) The EFSI is part of the Investment Plan, a comprehensive strategy designed to address uncertainty surrounding public and private investments and to reduce the investment gap in the Union. The strategy has three pillars: mobilising finance for investment, ensuring that investment reaches the real economy and improving the investment environment in the Union. For the purpose of geographical diversification, it is essential that the investment environment in the Union is improved by removing barriers to investment. The EFSI is a complement to other actions needed to reduce investment gaps in the Union and, by acting as a guarantee fund, acts as a stimulus for new investment.

Amendment 5

Proposal for a regulation
Recital 6

Text proposed by the Commission
(6) The EFSI was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. Given its success, the Commission is committed to the doubling of the EFSI, both in terms of duration and financial capacity. The legal extension covers the period of the current Multiannual Financial Framework and should provide a total of at least half a trillion euro investments by 2020. In order to enhance the firepower of the EFSI even further and reach the aim of doubling the investment target, Member States should also contribute as a matter of priority.

Amendment
(6) The EFSI was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. At present, the investment gap in the Union remains and concerns have been raised that the EFSI has been insufficiently diversified, both sectorally and geographically, due to sub-optimal allocation of investment, funding of projects with a high environmental impact and issues concerning additionality. Despite that, after barely one year of the EFSI being in operation, and without the independent evaluation to which the EFSI’s potential extension was linked being conducted, the Commission has launched a proposal on the doubling of
the EFSI, in terms both of duration and of financial capacity.

Amendment  6
Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) For the period after 2020, the Commission intends to put forward the necessary proposals to ensure that strategic investment will continue at a sustainable level.

Amendment

(7) Regulation (EU) 2015/1017 provides that, by 5 July 2018, the Commission is to submit to the European Parliament and to the Council a report containing an independent evaluation of the application of Regulation (EU) 2015/1017. The Commission should submit a further such report by 30 June 2020 which should, where appropriate, be accompanied by a legislative proposal to amend Regulation (EU) 2015/1017 and should, in accordance with the Interinstitutional Agreement of 13 April 2016 on Better Law Making, be accompanied by an impact assessment. Such legislative proposal should ensure, promote and strengthen the Union's strategic investments at sustainable levels throughout the financial period covered by the post-2020 Multiannual Financial Framework.

Amendment  7
Proposal for a regulation
Recital 7 a (new)

Text proposed by the Commission

(7a) In order to be able to carry out its duties, the Court of Auditors requires access to the Commission's annual report on the management of the EU guarantee fund no later than 31 May of each year. In that regard, the audit rights of the Court of Auditors as laid down in Article 287 TFEU should be fully respected and
the Commission’s report should be submitted to the European Parliament, to the Council and to the Court of Auditors in a timely fashion.

Amendment 8

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future job creation – including for the youth –, growth and competitiveness with strengthened additionality. They include investments in the areas of energy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport, as well as the digital transformation. In particular, the contribution of operations supported by the EFSI to achieving the Union's ambitious targets set at the Paris Climate Conference (COP21) should be reinforced. Energy interconnection priority projects and energy efficiency projects should also be increasingly targeted. In addition, EFSI support to motorways should be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country. For reasons of clarity, although they are already eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support.

Amendment

(8) The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise new private sector financing in investments crucial for Europe’s future job creation – including for the youth –, growth and competitiveness with strengthened additionality vis-à-vis other existing Union instruments and the EIB’s main operations. They include investments in the areas of energy, bio-economy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport and cross-border networks, as well as the digital transformation in all sectors. In particular, the contribution of operations supported by the EFSI to achieving the Union's ambitious targets set at the Paris Climate Conference (COP21) should be reinforced. Energy interconnection priority projects and energy efficiency projects should also be increasingly targeted. In addition, EFSI support to motorways and carbon-intensive transport projects should be avoided, unless it is crucially needed to support private investment in transport projects. For reasons of clarity, although they are already eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support.
Amendment 9
Proposal for a regulation
Recital 9

Text proposed by the Commission

(9) Additionality, a key feature of the EFSI, should be strengthened in the selection of projects. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, including e-infrastructure, should be considered additional given their inherent difficulty and their high added value for the Union.

Amendment

(9) Additionality, a key feature of the EFSI, should be strengthened in the selection of projects. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. The purpose of additionality should be limited to ensuring that selected projects are those that could not have otherwise obtained financing on the market due to a higher risk profile. Additionality as a term must be kept simple and create other more easily measurable criterion for the funding. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, including e-infrastructure, should be considered additional given their inherent difficulty and their high added value for the Union.

Amendment 10
Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) In order to reinforce the take-up of the EFSI in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged.

Amendment

(11) In order to reinforce the take-up of the EFSI in all regions, including in less-developed, remote outermost and transition regions, and to tackle the geographical and sectorial imbalance of EFSI support, the scope of the general objectives and the conditions making them eligible for EFSI support should be enlarged with an increased use of the
European Advisory Hub in order to provide technical assistance for project generation at regional and local levels across the Union, as well as to ensure better communication and visibility.

Amendment 11
Proposal for a regulation
Recital 15

*Text proposed by the Commission*

(15) On the basis of the experience acquired with the investments supported by the EFSI, the target amount of the guarantee fund should be brought to 35% of the total EU guarantee obligations ensuring an adequate level of protection.

*Amendment*

(15) On the basis of the experience acquired with the investments supported by the EFSI and the absence of calls on the EU guarantee, the target amount of the guarantee fund should be brought to 35% of the total EU guarantee obligations ensuring an adequate level of protection.

Amendment 12
Proposal for a regulation
Recital 16 a (new)

*Text proposed by the Commission*

(16a) Simplification is needed in the procedures for processing operations so that the information that final beneficiaries, especially SMEs, are required to provide is the minimum necessary to ensure the success of operations without imposing an excessive bureaucratic burden on SMEs. At the same time, transparency of the procedures should be prioritised.

*Amendment*

(16a) Simplification is needed in the procedures for processing operations so that the information that final beneficiaries, especially SMEs, are required to provide is the minimum necessary to ensure the success of operations without imposing an excessive bureaucratic burden on SMEs. At the same time, transparency of the procedures should be prioritised.

Amendment 13
Proposal for a regulation
Recital 17
Text proposed by the Commission

(17) The EIB and the EIF should ensure that the final beneficiaries, including SMEs, are informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017.

Amendment

(17) The EIB and the EIF should ensure that the final beneficiaries and potential private sector investors, including SMEs, are informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017.

Amendment 14

Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) The operations supported by the EFSI should adhere to the Union's principles of tax good governance.

Amendment

(19) The operations supported by the EFSI should adhere in every aspect to the Union's principles of good tax governance.

Amendment 15

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The European Investment Advisory Hub (EIAH) should be enhanced and its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects involving two or more Member States and projects that contribute to achieving the objectives of COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the

Amendment

(21) The European Investment Advisory Hub (EIAH) should be enhanced, including the possibility of increasing its budget if and when justified, and its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects involving two or more Member States and projects that contribute to achieving the objectives of the Europe 2020 strategy and COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH.
EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms and provide advice on the combination of other sources of Union funding with the EFSI. Should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms and provide advice on the combination of other sources of Union funding with the EFSI.

Amendment 16
Proposal for a regulation Article 1 – paragraph 1 – point 2
Regulation (EU) 2015/1017
Article 5 – paragraph 1 – subparagraphs 3, 4 and 5

Text proposed by the Commission

To better address market failures or sub-optimal investment situations, EIB special activities supported by the EFSI shall typically have features such as subordination, participation in risk-sharing instruments, cross-border characteristics, exposure to specific risks or other identifiable aspects as further described in Annex II.

EIB projects carrying a risk lower than the minimum risk under EIB special activities may also be supported by the EFSI if the use of the EU guarantee is required to ensure additionality as defined in the first subparagraph of this paragraph.

The projects supported by the EFSI that consist of physical infrastructure linking two or more Member States or of the extension of physical infrastructure or services linked to physical infrastructure from one Member State to one or more Member States, shall also be considered to provide additionality.

Amendment 17
Proposal for a regulation
Article 1 – paragraph 1 – point 3
Regulation (EU) 2015/1017
Article 6 – paragraph 1 – introductory part

Text proposed by the Commission

The EFSI Agreement shall provide that the EFSI is to support projects which address market failures or sub-optimal investment situations and which:

Amendment

The EFSI Agreement shall provide that the EFSI is to support projects which address market failures or sub-optimal investment situations, including with the purpose of achieving a more balanced geographical distribution of investments, and which:

Amendment 18

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point d
Regulation (EU) 2015/1017
Article 7 – paragraph 12 – subparagraph 2 – second sentence

Text proposed by the Commission

Decisions approving the use of the EU guarantee shall be public and accessible, and include the rationale for the decision, with particular focus on compliance with the additionality criterion. The publication shall not contain commercially sensitive information. In reaching its decision, the Investment Committee shall be supported by the documentation provided by the EIB.

Amendment

Decisions approving the use of the EU guarantee shall be public and accessible, and shall include the rationale for the decision, with particular focus on compliance with the additionality criterion and Union policy objectives. Such decisions shall also include information on the fulfilment of the eligibility criteria referred to in Article 6 and on the use of the scoreboard of indicators referred to in paragraph 14 of this Article. The publication shall not contain commercially sensitive information. In reaching its decision, the Investment Committee shall be supported by the documentation provided by the EIB.

Amendment 19

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point c
Regulation (EU) 2015/1017
Article 9 – paragraph 3 – point a

Text proposed by the Commission  
(a) 31 December 2020, for EIB operations for which a contract between the EIB and the beneficiary or financial intermediary has been signed by 31 December 2022;

Amendment
(a) 31 December 2020, for EIB operations for which a contract between the EIB and the beneficiary or financial intermediary has been signed by 31 December 2021;

Amendment 20

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point c
Regulation (EU) 2015/1017
Article 9 – paragraph 3 – point b

Text proposed by the Commission  
(b) 31 December 2020, for EIF operations for which a contract between the EIF and the financial intermediary has been signed by 31 December 2022;

Amendment
(b) 31 December 2020, for EIF operations for which a contract between the EIF and the financial intermediary has been signed by 31 December 2021.

Amendment 21

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point d
Regulation (EU) 2015/1017
Article 9 – paragraph 4

Text proposed by the Commission  
(d) paragraph 4 is deleted.

Amendment
deleted

Amendment 22

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point i
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point c

Text proposed by the Commission  
(c) leveraging local knowledge to

Amendment
(c) leveraging local, regional and
facilitate EFSI support across the Union and contributing where possible to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations; national knowledge, collaborating more closely with Member States’ authorities and focusing on building capacity in order to facilitate the use of EFSI support across the Union and contributing where possible to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations;

Amendment 23

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point ii
Regulation (EU) 2015/2017
Article 14 – paragraph 2 – point e

Text proposed by the Commission

(e) providing pro-active support on the establishment of investment platforms;

Amendment

(e) providing pro-active support on the establishment of investment platforms with a view to simultaneously supporting smaller-scale projects, while bearing in mind the need to fulfil the requirement of innovativeness;

Amendment 24

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point iii
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point f

Text proposed by the Commission

(f) providing advice on the combination of other sources of Union funding (such as the European Structural and Investment Funds, Horizon 2020 and the Connecting Europe Facility) with the EFSI.

Amendment

(f) providing advice on the complementarity of other sources and potential synergies of Union funding and investments (such as the European Structural and Investment Funds, Horizon 2020 and the Connecting Europe Facility) with the EFSI.
Amendment 25

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point c
Regulation (EU) 2015/1017
Article 14 – paragraph 5

Text proposed by the Commission

5. In order to achieve the objective referred to in paragraph 1 and to facilitate the provision of advisory support at local level, the EIAH shall seek to use the expertise of the EIB, the Commission, national promotional banks or institutions, and the managing authorities of the European Structural and Investment Funds.

Amendment

5. In order to achieve the objective referred to in paragraph 1 and to facilitate the provision of advisory support at local, regional and national levels, the EIAH shall seek to use the expertise of the EIB, the Commission, national promotional banks or institutions, and the managing authorities of the European Structural and Investment Funds.

Amendment 26

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point d a (new)
Regulation (EU) 2015/1017
Article 14 – paragraph 9 a (new)

Text proposed by the Commission

(da) the following paragraph 9a is added:

‘9a. In order to ensure that the EIAH can perform its activities and contribute to the objective of sectoral and geographical diversification of the EFSI, the EIB may submit to the Commission a justified request for an increase in the EIAH’s budget.’

Amendment

Amendment 27

Proposal for a regulation
Article 1 – paragraph 1 – point 9 a (new)
Regulation (EU) 2015/1017
Article 16 – paragraph 2

Present text

Amendment
"2. The EIB, in cooperation with the EIF where appropriate, shall submit an annual report to the European Parliament and to the Council on EIB financing and investment operations covered by this Regulation. The report shall be made public and shall include:

(a) an assessment of EIB financing and investment operations at operation, sector, country and regional levels and their compliance with this Regulation, in particular with the criterion of providing additionality, together with an assessment of the allocation of EIB financing and investment operations between the general objectives set out in Article 9(2);

(b) an assessment of the added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of EIB financing and investment operations on an aggregated basis, including the impact on employment creation;

(c) an assessment of the extent to which operations covered by this Regulation contribute to the achievement of the general objectives set out in Article 9(2) including an assessment of the level of EFSI investments in the areas of research, development and innovation and transport (including TEN-T and urban mobility), telecommunications, energy infrastructure and energy efficiency;

(d) an assessment of the compliance with the requirements concerning the use of the EU guarantee and with the key performance indicators referred to in Article 4(2)(f)(iv);

(e) an assessment of the leverage effect achieved by EFSI-supported projects;

(f) a description of the projects where

'(9a) Article 16(2) is replaced by the following:

‘2. The EIB shall submit a biannual report to the European Parliament on approved investment operations. The report shall subsequently be made public and accessible.

The report shall include:

(a) an assessment of EIB financing and investment operations at sector, country and regional levels and their compliance with this Regulation, in particular with regard to compliance with the additionality criterion;

(b) an assessment of the added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of EIB financing and investment operations on an aggregated basis, including the impact on employment creation;

(c) an assessment of the extent to which operations covered by this Regulation contribute to the achievement of the EU’s general objectives, including an assessment of the level of EFSI investments in the areas of research, development and innovation, transport, telecommunications, energy infrastructure and energy efficiency;

(d) an assessment of the compliance with the requirements concerning the use of the EU guarantee and with the key performance indicators referred to in Article 4(2)(f)(iv);

(e) an assessment of the real leverage effect achieved by EFSI-supported projects;

(f) a description of the projects where
the support of the European Structural and Investment Funds is combined with the support of the EFSI, and the total amount of the contributions from each source;

(g) the financial amount transferred to beneficiaries and an assessment of EIB financing and investment operations on an aggregated basis;

(h) an assessment of the added value of EIB financing and investment operations, and of the aggregate risk associated with those operations;

(i) detailed information on calls on the EU guarantee, losses, returns, amounts recovered and any other payments received;

(j) the financial reports on EIB financing and investment operations covered by this Regulation audited by an independent external auditor.

Amendment 28

Proposal for a regulation

Article 1 – paragraph 1 – point 10 – point a a (new)

Regulation (EU) 2015/1017

Article 18 – paragraph 6 – subparagraph 1 a (new)
(aa) in paragraph 6 the following subparagraph is added:

‘The report to be submitted by 30 June 2020 shall, where appropriate, be accompanied by a legislative proposal to amend this Regulation with a view to either setting a new investment period, addressing any flaws identified and ensuring that strategic investment continues at a sustainable level or, where the report concludes that maintaining a scheme for supporting investment is not warranted, ensuring a smooth termination of the EFSI, while preserving the EU guarantee for operations already approved under this Regulation. In accordance with the Interinstitutional Agreement of 13 April 2016 on Better Law Making, such proposal shall be accompanied by an impact assessment.’;
principles on access to documents and information, the EIB shall make publicly available on its website information relating to all EIB financing and investment operations covered by this Regulation, including on the role of financial intermediaries, and relating to the manner in which those operations contribute to the general objectives set out in Article 9(2).”

Amendment 31

Proposal for a regulation
Article 1 – paragraph 1 – point 11 a (new)
Regulation (EU) 2015/1017
Article 20 – paragraph 2

Amendment

(11a) Article 20(2) is replaced by the following:

"2. For the purpose of paragraph 1 of this Article, the Court of Auditors shall, at its request and in accordance with Article 287(3) TFEU, be granted access to any document or information necessary to carry out its task."
PROCEDURE – COMMITTEE ASKED FOR OPINION

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<th>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</th>
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<tr>
<td>Rapporteur</td>
<td>Hannu Takkula 21.11.2016</td>
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<td>Previous rapporteur</td>
<td>Michael Theurer</td>
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<td>Rule 55 – Joint committee procedure</td>
<td>19.1.2017</td>
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<td>22.3.2017</td>
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| Result of final vote | +: 18  
 | --: 4  
 | 0: 1 |
| Members present for the final vote | Nedzhmi Ali, Jonathan Arnott, Inés Ayala Sender, Tamás Deutsch, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Jean-François Jalkh, Arndt Kohn, Bogusław Liberadzki, Fulvio Martusciello, José Ignacio Salafranca Sánchez-Neyra, Claudia Schmidt, Bart Staes, Hannu Takkula, Indrek Tarand, Marco Valli, Derek Vaughan, Joachim Zeller |
| Substitutes present for the final vote | Monika Hohlmeier, Julia Pitera, Miroslav Poche |
### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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<td>Joachim Zeller</td>
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</table>

**Key to symbols:**
- + : in favour
- - : against
- 0 : abstention
OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

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


Rapporteur: Krzysztof Hetman

SHORT JUSTIFICATION

In 2014, the European Commission, together with the European Investment Bank as a strategic partner, has announced the Investment Plan for Europe with the European Fund for Strategic Investments (EFSI) as its core part. The EFSI Regulation entered into force in July 2015 and was initially established for a period of 3 years. The aim of EFSI was to boost European economic recovery and competitiveness, generating 315 billion Euro in public and private financing for strategic investments. It was designed to complement other funds and actions of the European Union and contribute to the objective of economic, social and territorial cohesion across the Union.

On 14th September 2016, the Commission proposed a regulation to extend EFSI, so it will cover the period until the end of the current Multiannual Financial Framework as well as to expand its investment plan to mobilise at least 500 billion Euro by 2020. In order to achieve it the Commission proposes to increase the EU guarantee from 16 billion Euro to 26 billion Euro, while the EIB shall increase its capital from 5 billion Euro to 7.5 billion Euro. The Commission plans to maintain the core concept of additionality of EFSI, that is to support only the operations, which address market failures or sub-optimal investment situations. With its proposal, the Commission intents also to enhance the geographical coverage of EFSI and reinforce its take-up in less developed regions. In this respect, the Commission plans to encourage combining EFSI with other sources of EU funding. Finally, the Commission plans to enhance the transparency of investment decisions and governance procedures.

The rapporteur is in general in favour of the proposal and the extension of EFSI, although some important deficiencies have to be underlined. There is a visible imbalance between the usage of EFSI in EU15 (91% of EFSI) and EU 13 (9% of EFSI), with one Member State that has not used EFSI financing at all. The proposal to combine the EFSI with European Structural and Investment (ESI) Funds has a potential for achieving the desired results it improving this situation. However, it has to be underlined that the Cohesion policy, as a main
EU investment policy, has proven effects in not only creating investments, but also in supporting structural reforms, development of human capital and creation of sustainable employment. Therefore, it needs to be ensured that EFSI would not replace or crowd out other EU funds and instruments, particularly European Structural and Investment Funds, also in the future financial perspective.

Moreover, there is also a sectorial imbalance in the projects supported by EFSI, with very few social investments supported by this mechanism. The reason for that could be less visible direct profitability of social investments and often weaker administrative capacity and experience of social actors in dealing with big investment projects. Nevertheless, the rapporteur believes it is vital to underpin the full social and human potential of EFSI and to support and facilitate the participation of social actors which, when wisely implemented, could result in more jobs and sustainable growth. To that end, the rapporteur is of the opinion that the activities of the European Investment Advisory Hub should be strengthened and equally accessible for all relevant stakeholders, including social enterprises and social services.

Finally, the rapporteur expresses his concern with the lack of data on the number of jobs, and in particular sustainable jobs, created due to the projects supported by EFSI. Collecting this kind of data could be very beneficial for the overall assessment of EFSI results in the future.

**AMENDMENTS**

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 take into account the following amendments:

**Amendment 1**

**Proposal for a regulation**

**Recital 1**

*Text proposed by the Commission*

(1) Since the Investment Plan for Europe was presented in November 2014\(^3\), the conditions for an uptake in investment have improved and confidence in Europe’s economy and growth are returning. The Union is now in its fourth year of moderate recovery, with Gross Domestic Product growing at 2% in 2015. The comprehensive efforts initiated with the Investment Plan are already delivering concrete results, despite the fact that macroeconomic effects of larger

*Amendment*

(1) Since the Investment Plan for Europe was presented in November 2014\(^3\), the conditions for an uptake in investment have improved and confidence in Europe’s economy and growth are returning. The Union is now in its fourth year of moderate recovery, with Gross Domestic Product growing at 2% in 2015, *but unemployment rates remain above their pre-crisis levels*. The comprehensive efforts initiated with the Investment Plan are already delivering concrete results, despite the fact that *it is*
investment projects cannot be immediate. Investment is expected to pick up gradually throughout 2016 and 2017 although it remains below historical levels.

not yet possible to estimate the full impact that EFSI has had on growth as the macroeconomic effects of larger investment projects cannot be immediate. Investment is expected to pick up gradually throughout 2016 and 2017 but the pace is still timid and remains below pre-crisis levels.

__________________


Amendment 2
Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) That positive momentum should be maintained and efforts need to be continued to bring investment back to its long-term sustainable trend. The mechanisms of the Investment Plan work and should be reinforced to continue the mobilisation of private investments in sectors important to Europe's future and where market failures or sub-optimal investment situations remain.

Amendment

(2) That positive momentum should be maintained and efforts need to be continued to bring investment back to its long-term sustainable trend reaching the real economy. The mechanisms of the Investment Plan work and should be reinforced to continue the mobilisation of private investments in all sectors that create growth and jobs and are therefore important to Europe's future and where market failures or sub-optimal investment situations remain.

Amendment 3
Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) The EFSI was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. Given its success, the Commission is committed to the doubling of the EFSI, both in terms of duration and

Amendment

(6) The EFSI was established, as an emergency plan, for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. The Commission is committed to the doubling of the EFSI, both in terms of
financial capacity. The legal extension covers the period of the current Multiannual Financial Framework and should provide a total of at least half a trillion euro investments by 2020. In order to enhance the firepower of the EFSI even further and reach the aim of doubling the investment target, Member States should also contribute as a matter of priority.

Amendment 4
Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) For the period after 2020, the Commission intends to put forward the necessary proposals to ensure that strategic investment will continue at a sustainable level.

Amendment

(7) For the period after 2020, the Commission intends to put forward the necessary proposals to ensure that strategic investment will continue at a sustainable level. **A comprehensive impact assessment should be made by the Commission to justify a future proposal.**

Amendment 5
Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future job creation – including for the youth –, growth and competitiveness with strengthened additionality. They include investments in the areas of energy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport, as well as the digital transformation. **In particular,**

Amendment

(8) The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future quality job creation – including for the youth, **inclusive** growth and competitiveness **enhancing the social and employment impact**, with strengthened additionality. They include investments in the areas of energy, environment and climate action, social and human capital and related infrastructure, **social economy**, healthcare, research and innovation, cross-
the contribution of operations supported by the EFSI to achieving the Union’s ambitious targets set at the Paris Climate Conference (COP21) should be reinforced. Energy interconnection priority projects and energy efficiency projects should also be increasingly targeted. In addition, EFSI support to motorways should be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country. For reasons of clarity, although they are already eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support.

Amendment 6
Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

(8a) In addition, it is appropriate to reinforce the social dimension of the EFSI implementation such as education, training and vocational training for skills and lifelong learning, innovation in healthcare and medicines, social services, social housing and childcare.

Amendment 7
Proposal for a regulation
Recital 8 b (new)
The initial results reveal that Member States with greater technical and administrative capacity as well as financial institutions are taking greater advantage of the EFSI. In order to enhance the capacity of some Member States in taking advantage of the EFSI, the EIB and the Commission should work further to support those lagging behind. To this end, new figures and updates should be released regularly, with first precise quali-quantitative analysis of the results published by 2018 at the latest. Any such analysis should include independent assessments drawing on the experience collected so far, with a special focus on the number of jobs created and the impacts of EFSI investments on direct and indirect jobs. Targets should be set in terms of objectives relating to growth and jobs.

Amendment 8

Proposal for a regulation
Recital 9

(9) Additionality, a key feature of the EFSI, should be strengthened in the selection of projects. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, including e-infrastructure, should be considered additional given their inherent difficulty and their high added value for the Union.

Amendment

(9) Additionality, a key feature of the EFSI, needs to be defined more clearly and should be strengthened in the selection of projects. In particular, operations should only be eligible for EFSI support if they address clearly identified market failures or sub-optimal investment situations. Operations in infrastructure under the Infrastructure and Innovation Window linking two or more Member States, including e-infrastructure, should be considered additional given their inherent difficulty and their high added value for the Union.
Amendment 9

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union budget, such as those available under the Connecting Europe Facility, and financing from EIB Group, including EIB financing under the EFSI, as well as other investors should be encouraged. Blending aims to enhance the value added of Union spending by attracting additional resources from private investors and to ensure the actions supported become economically and financially viable.

Amendment

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union budget, such as those available under the Connecting Europe Facility, and financing from EIB Group, including EIB financing under the EFSI, as well as other investors should be encouraged. Blending aims to enhance the value added of Union spending by attracting additional resources from private investors and to ensure the actions supported become economically and financially viable, while the rules of co-financing need to be respected. The EFSI should operate in closer conjunction with the Structural Funds and other EU cohesion policy funds. However, it is crucial that it neither contradicts the achievements or goals of the European Social Fund (ESF) and the EU's cohesion policy, especially those of the European Structural and Investment Funds, nor replaces or crowds-out grants and that its additionality is maintained.

Amendment 10

Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

(10a) The potential of the EFSI in reviving the labour markets and creating sustainable jobs should be made more evident, as is the case with the Cohesion Policy, and the relevant reliable data
should be gathered and analysed.

Amendment 11
Proposal for a regulation
Recital 11

**Text proposed by the Commission**

(11) In order to reinforce the take-up of the EFSI in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged.

**Amendment**

(11) In order to reinforce the take-up of the EFSI, particularly in European areas with high levels of unemployment and in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged, and a strategy for the better promotion of EFSI financing, capacity building, administrative support and local technical assistance in the above mentioned regions should be developed and duly implemented.

Amendment 12
Proposal for a regulation
Recital 16

**Text proposed by the Commission**

(16) In line with the exceptional market demand for SME financing under the EFSI which is expected to continue, the EFSI SME Window should be enhanced. Particular attention should be paid to social enterprises, including through the development and deployment of new instruments.

**Amendment**

(16) In line with the exceptional market demand for SME financing under the EFSI which is expected to continue, the EFSI SME Window should be enhanced. Particular attention should be paid to social enterprises and social services, including through the development and deployment of new instruments which are adequate for the sector’s needs and specificities.

Amendment 13
Proposal for a regulation
Recital 17
The EIB and the EIF should ensure that the final beneficiaries, including SMEs, are informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017.

Amendment 14

Proposal for a regulation
Recital 17 a (new)

The EIB and the EIF should ensure all the final beneficiaries are duly informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017 and encourage the preparation of investment projects offering broad sectorial and geographical coverage.

Amendment 15

Proposal for a regulation
Recital 18

The EIB and the EIF should ensure that all the final beneficiaries are duly informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017.

With a view to enhancing the transparency of EFSI operations, the Investment Committee should explain in its decisions, which are made public and accessible, the reasons why it deems that an operation should be granted the EU guarantee, with particular focus on compliance with the additionality criterion. The scoreboard of indicators should be made public once an operation under the EU guarantee is signed.

Particular attention should be
paid to job creation and to social investment in citizens’ current and future abilities to engage in the labour market, using clear socio-economic indicators.

Amendment 16
Proposal for a regulation
Recital 19

Text proposed by the Commission
(19) The operations supported by the EFSI should adhere to the Union’s principles of tax good governance.

Amendment
(19) The operations supported by the EFSI should adhere to the Union's principles of tax good governance, the broader strategy on sustainable finance and its social acquis.

Amendment 17
Proposal for a regulation
Recital 21

Text proposed by the Commission
(21) The European Investment Advisory Hub (EIAH) should be enhanced and its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects involving two or more Member States and projects that contribute to achieving the objectives of COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms and

Amendment
(21) The European Investment Advisory Hub (EIAH) should be enhanced and its activities should focus on needs not covered adequately under current arrangements, including the needs of the Outermost Regions (ORs), taking into account Article 349 TFEU. It should pay particular attention to supporting the preparation of projects involving two or more Member States, trans-border projects, and projects that contribute to achieving the objectives of COP21 and the Europe 2020 strategy, including tackling poverty and social exclusion, in particular projects which contribute to quality job creation, to sustainable growth or integrating projects with the ORs. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single
provide advice on the combination of other sources of Union funding with the EFSI.

A technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms, including sectorial ones, and in particular multi-country ones in order to promote trans-border projects or a group of projects concerning all Member States, and provide advice on the combination of other sources of Union funding with the EFSI.

Amendment 18

Proposal for a regulation
Article 1 – paragraph 1 – point -1 (new)
Regulation (EU) 2015/1017
Article 2 – point 8 a (new)

Text proposed by the Commission

(-1) in Article 2, the following point is added:

‘(8a) ‘social enterprise’ means an undertaking which has as its primary objective the achievement of measurable, positive social impacts rather than generating profit and which uses its profits first and foremost to achieve its primary objective, as defined in Articles 2(1) and 2(5) of Regulation (EU) 1296/2013;’;

Amendment 19

Proposal for a regulation
Article 1 – paragraph 1 – point -1 a (new)
Regulation (EU) 2015/1017
Article 2 – point 8 b (new)
Text proposed by the Commission

Amendment

(-1a) in Article 2, the following point is added:

‘(8b) ‘*social services*’ means the activities aiming to improve quality of life and providing social protection, for example via social security, employment and training services, social housing, child care, long-term care and social assistance services;’;

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point b a (new)

Regulation (EU) 2015/1017

Article 4 – paragraph 2 – point f – point iv

Present text

Amendment

(ba) in point (f), point (iv) is replaced by the following:

(iv) key performance indicators, in particular as regards the use of the EU guarantee, the fulfilment of the objectives and criteria laid down in Articles 6 and 9 and Annex II, the mobilisation of private capital, and the macro-economic impact of the EFSI, including its effect on supporting investment and job creation;

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point 3

Regulation (EU) 2015/1017

Article 6 – paragraph 1 – introductory part

Text proposed by the Commission

1. The EFSI Agreement shall provide that the EFSI is to support projects which address market failures or sub-optimal

1. The EFSI Agreement shall provide that the EFSI is to support projects which reach real economy and address market
investment situations and which: failures or sub-optimal investment situations and which:

Amendment 22
Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point -a (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 3 – subparagraph 1

Present text

3. The Steering Board shall comprise four members: three appointed by the Commission and one by the EIB. The Steering Board shall elect a Chairperson from among its members for a fixed term of three years, renewable once. The Steering Board shall take its decisions by consensus.

Amendment

(-a) paragraph 3 is replaced by the following:

3. The Steering Board shall comprise four members: three appointed by the Commission, one from ECFIN and the other two, alternating, from relevant DGs, and one by the EIB. The Steering Board shall elect a Chairperson from among its members for a fixed term of three years, renewable once. The Steering Board shall take its decisions by consensus.

Amendment 23
Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point a – point -i (new)
Regulation (EU) 2015/1017
Article 7 – paragraph 8 – subparagraph 3 – introductory part

Present text

‘The composition of the Investment Committee shall be gender-balanced. The Steering Board shall strive to select experts having experience in investment in one or more of the following fields:’

Amendment

(-i) the third subparagraph is replaced by the following:

The composition of the Investment Committee shall be gender-balanced. The Steering Board shall strive to select experts that together have a mix of experience in investment in all of the following fields:

Amendment 24
Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point a – point i a (new)  
Regulation (EU) 2015/1017  
Article 7 – paragraph 8 – point f

Present text

(f) education and training;

Amendment

(ia) point (f) is replaced by the following:

(f) labour market, education and training, vocational training for skills and lifelong learning;

Amendment 25

Proposal for a regulation  
Article 1 – paragraph 1 – point 4 – point a – point i b (new)  
Regulation (EU) 2015/1017  
Article 7 – paragraph 8 – point k

Present text

‘(k) social infrastructures and the social and solidarity economy;’

Amendment

(ib) point (k) is replaced by the following:

(k) social infrastructures, social services and the social and solidarity economy;

Amendment 26

Proposal for a regulation  
Article 1 – paragraph 1 – point 4 – point d  
Regulation (EU) 2015/1017  
Article 7 – paragraph 12 – subparagraph 2 – second sentence

Text proposed by the Commission

Decisions approving the use of the EU guarantee shall be public and accessible, and include the rationale for the decision, with particular focus on compliance with the additionality criterion. The publication shall not contain commercially sensitive information. In reaching its decision, the Investment Committee shall be supported

Amendment

Decisions approving the use of the EU guarantee shall be made public and accessible without delay, and include the rationale for the decision based on the projects scoreboard, with particular focus on compliance with Union policies, including the objective of smart, sustainable and inclusive growth, quality
by the documentation provided by the EIB.;

job creation and economic, social and territorial cohesion and with the additionality criterion. The publication shall not contain commercially sensitive information. In reaching its decision, the Investment Committee shall be supported by the documentation provided by the EIB.;

Amendment 27

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point -a (new)
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – point g – introductory wording

Present text

Amendment

(-a) in paragraph 2, point (g) is replaced by the following:

(g) human capital, culture and health, in particular through:

Amendment 28

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point -a a (new)
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – point g – point i

Present text

Amendment

(-aa) in paragraph 2, point (g) point (i) is replaced by the following:

(i) education and training

Amendment 29

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point -a b (new)
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – point g – point v

Present text

Amendment

(i) labour market, education and training, vocational training for skills and lifelong learning;
Present text

(v) social infrastructures, social and solidarity economy;

Amendment

(-ab) in paragraph 2, point (g) point (v) is replaced by the following:

(v) social infrastructures, social services and social and solidarity economy;

Amendment 30

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point -a c (new)
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – point g – point v a (new)

Present text

Amendment

(-ac) in paragraph 2 point (g), after point (v), the following point is added:

(va) the provision of funds to the investment platform for social economy organizations, including social enterprises;

Amendment 31

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point b
Regulation (EU) 2015/1017
Article 9 – paragraph 2 – subparagraph 2

Text proposed by the Commission

The EIB shall target that at least 40 % of EFSI financing under the infrastructure and innovation window supports projects with components that contribute to climate action, in line with the COP21 commitments. The Steering Board shall provide detailed guidance to that end.;

Amendment

The EIB shall target that at least 40 % of EFSI financing under the infrastructure and innovation window supports projects with components that contribute to climate action and job creation, in line with the COP21 commitments and the Europe 2020 strategy. The Steering Board shall provide detailed guidance to that end.
Amendment 32

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point a – point i
Regulation (EU) 2015/1017
Article 14 – paragraph 1 – subparagraph 1 – second sentence

Text proposed by the Commission

Such support shall include providing targeted support on the use of technical assistance for project structuring, on the use of innovative financial instruments and on the use of public-private partnerships, taking into account the specificities and needs of Member States with less-developed financial markets.;

Amendment

Such support shall include providing targeted local support on the use of technical assistance for project structuring, on the use of innovative financial instruments and on the use of public-private partnerships and information, as appropriate, on relevant issues relating to Union law, taking into account the specificities and needs of Member States with less-developed financial markets and of the different sectors.;

Amendment 33

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point a – point i a (new)
Regulation (EU) 2015/1017
Article 14 – paragraph 1 – subparagraph 2

Present text

The EIAH shall be able to provide technical assistance in the areas listed in Article 9(2), in particular energy efficiency, TEN-T and urban mobility.

Amendment

(ia) the second subparagraph is replaced by the following:

The EIAH shall be able to provide technical assistance in the areas listed in Article 9(2), in particular energy efficiency, TEN-T, urban mobility and social infrastructure.

Amendment 34

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point a – point ii
Regulation (EU) 2015/1017
Article 14 – paragraph 1 – subparagraph 2 – second sentence
It shall also support the preparation of climate action and circular economy projects or components thereof, in particular in the context of COP21, the preparation of projects in the digital sector, as well as the preparation of projects referred to in the fifth subparagraph of Article 5(1); especially in less-developed and transition regions in order to make the best impact on employment and social inclusion and tackling poverty including the preparation of projects in the digital sector, as well as the preparation of projects referred to in the fifth subparagraph of Article 5(1);

Amendment 35

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point i
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point c

Text proposed by the Commission
(c) leveraging local knowledge to facilitate EFSI support across the Union and contributing where possible to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations;

Amendment
(c) leveraging local knowledge, collaborating closer with Member States authorities and focusing on building capacity, so as to facilitate EFSI support across the Union and contributing where possible to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations and increase collaboration with Member States;

Amendment 36

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point ii
Regulation (EU) 2015/1017
Article 14 – paragraph 2 – point e

Text proposed by the Commission
(e) providing pro-active support on the establishment of investment platforms,

Amendment
(e) providing pro-active support on the establishment of investment platforms,
establishment of investment platforms; \textit{including sectoral investment platforms};

\textbf{Amendment 37}

\textbf{Proposal for a regulation}
\textbf{Article 1 – paragraph 1 – point 9 – point b a (new)}
Regulation (EU) 2015/1017
Article 14 – paragraph 3

\begin{tabular}{ll}
\textit{Present text} & \textit{Amendment} \\
3. EIAH services shall be available for public and private project promoters, including national promotional banks or institutions and investment platforms or funds and regional and local public entities. & 3. EIAH services shall be available \textit{and accessible for all} public and private project promoters, including national promotional banks or institutions and investment platforms or funds, regional and local public entities \textit{and social stakeholders}.
\end{tabular}

\textbf{Amendment 38}

\textbf{Proposal for a regulation}
\textbf{Article 1 – paragraph 1 – point 9 – point c}
Regulation (EU) 2015/1017
Article 14 – paragraph 5

\begin{tabular}{ll}
\textit{Text proposed by the Commission} & \textit{Amendment} \\
5. In order to achieve the objective referred to in paragraph 1 and to facilitate the provision of advisory support at local level, the EIAH shall seek to use the expertise of the EIB, the Commission, national promotional banks or institutions, and the managing authorities of the European Structural and Investment Funds. & 5. In order to achieve the objective referred to in paragraph 1 and to facilitate the provision of advisory support at local level \textit{and among relevant stakeholders}, the EIAH shall seek to use the expertise of the EIB, the Commission, national promotional banks or institutions, and the managing authorities of the European Structural and Investment Funds.
\end{tabular}

\textbf{Amendment 39}

\textbf{Proposal for a regulation}
Article 1 – paragraph 1 – point 9 a (new)
Regulation (EU) 2015/1017
Article 16 – paragraph 2 – point c

Present text

(c) an assessment of the extent to which operations covered by this Regulation contribute to the achievement of the general objectives set out in Article 9(2) including an assessment of the level of EFSI investments in the areas of research, development and innovation and transport (including TEN-T and urban mobility), telecommunications, energy infrastructure and energy efficiency;

Amendment

(9a) in Article 16, paragraph 2, point (c) is replaced by the following:

(c) an assessment of the extent to which operations covered by this Regulation contribute to the achievement of the general objectives set out in Article 9(2) including an assessment of the level of EFSI investments in the areas of research, development and innovation and transport (including TEN-T and urban mobility), telecommunications, energy infrastructure, energy efficiency and social infrastructure, social services and social and solidarity economy;

Amendment 40

Proposal for a regulation
Article 1 – paragraph 1 – point 13 a (new)
Regulation (EU) 2015/1017
Article 23 – paragraph 5 a (new)

Text proposed by the Commission

(13a) in Article 23, the following paragraph is added:

“This scoreboard shall be public in order to facilitate accountability, transparency and a better understanding of additionally, as defined in Article 3, for all actors.”
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### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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<td>Kostadinka Kuneva, Patrick Le Hyaric, Paloma López Bermejo</td>
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<td>NI</td>
<td>Lampros Fountoulis</td>
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Key to symbols:
+ : in favour
- : against
0 : abstention
OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Economic and Monetary Affairs


Rapporteur: Mercedes Bresso

SHORT JUSTIFICATION

Cohesion policy is the EU’s main investment policy, having as its goals economic growth, competitiveness, job creation, a better quality of life for EU citizens and long-term sustainable development. By itself however, it is not capable of guaranteeing the level of investment needed to ensure the EU economy grows as required.

With the European Fund for Strategic Investments (EFSI), the EU has created an innovative instrument, a novel experiment aimed at plotting a new path and finding new investment solutions. At a historic point in time that sees public funding coming under unprecedented pressures, the EFSI aims to maximise the impact of public funding while simultaneously attracting private investment.

Although both the ESI Funds and the EFSI are instruments supporting economic growth and strategic investments with European added value, upholding the EU’s policy objectives, there are significant differences in their scope and objectives.

The rapporteur is convinced that in its opinion on amendments to this European Parliament and Council regulation relating to the European Fund for Strategic Investments, and amending Regulations (EU) No 1316/2013 and (EU) No 2015/1017, the Committee on Regional Development should aim to ensure two things: better coordination of these instruments by enhancing synergies and ensuring their complementarity so that support granted by different EU instruments and funds does not overlap; and genuine additionality of initiatives and projects supported by the EFSI in particular.

The investment platforms represent best practice in implementing the synergy between the ESI Funds and the EFSI, as they are flexible tools which enable economically viable projects and initiatives to be identified and funded. They also attract potential investors, acting as a
catalyst for the integration of private funds with public funds disbursed by the EU budget, the EIB Group and the national promotional banks and institutions.

The contribution made by the ESI Funds and the EFSI through the investment platforms must be stepped up, with financial instruments at regional, sector (including by involving different Member States in one specific sector) and national levels (including by bringing specific investment projects together within one Member State).

In the case of cross-border projects, under which heading the rapporteur groups all projects, not just those numbering at least one cohesion country, these should be considered important for the development of EFSI projects. In particular, both physical infrastructure – with reference in particular to the most sustainable examples, such as railways for instance – and non-physical, such as e-infrastructure, IT networks, and research and innovation networks, can play a strategic role in achieving the EFSI’s growth and development objectives.

In this context the rapporteur is convinced that one viable solution would be a specific arrangement allowing the instruments to be combined, provided this was in collaboration with the management authorities. The EFSI Regulation must be reviewed in accordance with the ongoing changes to the Financial Regulations (‘Omnibus’) and in particular the CPR Regulation (‘Common Prevision Regulation’) so as to ensure real synergy between the various instruments and efficient interaction.

In addition, the importance of guaranteeing geographical balance throughout the EU, thereby helping to strengthen economic, social and territorial cohesion, is reiterated. While the allocation of funding on a territorial or sector basis should be avoided (no geographical or sectoral earmarking), countries that have not yet succeeded in making the best use of the opportunities offered by the EFSI will have to be given support too by the EU authorities, through more effective technical assistance, including at local level, for instance, but also through coordination of efforts made by EIB regional offices.

With this in mind, the EIB and the Commission should also strengthen the instruments used to assess the outcomes of projects launched, measuring their impact on EU economic, social and territorial cohesion.

**AMENDMENTS**

The Committee on Regional Development calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to take into account the following amendments:

**Amendment 1**

**Proposal for a regulation**

**Recital 1**

<table>
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<th>Text proposed by the Commission</th>
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<td>PE597.638v02-00</td>
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Since the Investment Plan for Europe\(^3\) was presented in November 2014, the conditions for an uptake in investment have improved and confidence in Europe’s economy and growth are returning. The Union is now in its fourth year of moderate recovery, with Gross Domestic Product growing at 2% in 2015. The comprehensive efforts initiated with the Investment Plan are already delivering concrete results, despite the fact that macroeconomic effects of larger investment projects cannot be immediate. Investment is expected to pick up gradually throughout 2016 and 2017 although it remains below historical levels.

\(^3\) COM(2014) 903 final.

Amendment 2

Proposal for a regulation
Recital 2

Text proposed by the Commission

Amendment

This positive momentum should be maintained and efforts need to be continued to bring investment back to its long-term sustainable trend. The mechanisms of the Investment Plan work and should be reinforced to continue the mobilisation of private investments in sectors important to Europe’s future and where market failures or sub-optimal investment situations remain.

Amendment 3

Proposal for a regulation
Recital 3 a (new)

Text proposed by the Commission

Amendment

The Union is now in its fourth year of moderate recovery. The Commission maintains that comprehensive efforts initiated with the Investment Plan are already delivering concrete results, despite the fact that macroeconomic effects of larger investment projects cannot be immediate.
On 11 November 2016, the European Court of Auditors issued opinion No 2/2016 on ‘EFSI: an early proposal to extend and expand’ in which it stated that ‘European Commission plans to increase and extend the investment fund at the heart of the ‘Juncker Plan’ were drawn up too soon and with little evidence that the increase is justified’. The European Court of Auditors also highlighted the fact that ‘no comprehensive impact assessment has been made’ and criticised the ‘deletion of the provision linking the continuation of EFSI to the results of an independent evaluation’. It also emphasised ‘the risk that the multiplier effect is overstated’, and that the objectives and results cited were those expected and not ones confirmed by tangible, accurate, clear or immediate statistics.

Amendment 4

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The EFSI, implemented and co-sponsored by the EIB Group, is firmly on track to deliver the objective of mobilising at least EUR 315 billion in additional investments in the real economy by mid-2018. The market absorption has been particularly quick under the SME Window where the EFSI is delivering well beyond expectations. In July 2016 the SME Window was thus scaled-up by EUR 500 million within the existing parameters of Regulation (EU) No 2015/1017. A larger share of financing to be geared towards SMEs given the exceptional market demand for SME financing under the EFSI: 40% of the increased risk bearing capacity of the EFSI should be geared towards increasing access to financing for

Amendment

(4) The EFSI, implemented and co-sponsored by the EIB Group, hopes to deliver the objective of mobilising at least EUR 315 billion in additional investments in the real economy by mid-2018. However, investments have been very uneven among the different Member States, which is an important shortcoming of the EFSI that needs to be quickly addressed. The market absorption has been particularly quick under the SME Window where the EFSI is delivering well beyond expectations. In July 2016 the SME Window was thus scaled-up by EUR 500 million within the existing parameters of Regulation (EU) No 2015/1017. A larger share of financing to be geared towards SMEs given the exceptional market demand for SME financing under the
SMEs.

EFSI: 40% of the increased risk bearing capacity of the EFSI should be geared towards increasing access to financing for SMEs.

**Amendment 5**

Proposal for a regulation
Recital 4 a (new)

Text proposed by the Commission

(4a) Articles 18(6) and 18(7) of Regulation (EU) No 2015/1017 provide for a proposal to amend that same Regulation to be made by 5 July 2018 and require that such a proposal should be supported by an independent evaluation on whether the EFSI ‘is achieving its objectives and maintaining a scheme for supporting investment is warranted’. That evaluation was not put forward until after the Commission’s proposal on the extension of the EFSI.

**Amendment 6**

Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) The EFSI was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. Given its success, the Commission is committed to the doubling of the EFSI, both in terms of duration and financial capacity. The legal extension covers the period of the current Multiannual Financial Framework and should provide a total of at least half a trillion euro investments by 2020. In order to enhance the firepower of the EFSI even further and reach the aim of doubling the investment target, Member States should

(6) The EFSI was established for an initial period of three years and with the aim of mobilising at least EUR 315 billion in investments. The fund has achieved some successes, such as ensuring the additionality, geographical balance and sustainability of the projects financed, but also shown some deficiencies. The Commission has announced an extension of the proposal which doubles the EFSI, both in terms of duration and financial capacity, in order to better align the EFSI with the Union’s objectives of cohesion and integration. The legal extension
also contribute as a matter of priority. proposed by the Commission covers the period of the current Multiannual Financial Framework and should provide a total of at least half a trillion euro investments by 2020. In order to try to expand the capacity of the EFSI, Member States are also able to contribute to it as a matter of priority.

Amendment 7
Proposal for a regulation
Recital 6 a (new)

Text proposed by the Commission

(6a) On 11 November 2016, the European Court of Auditors concluded that it was still too soon for the economic, social and environmental impacts to be measured or for a conclusion to be drawn as to whether the EFSI was achieving its objectives. A comprehensive impact assessment is to provide the necessary evidence concerning whether or not the EFSI should be extended.

Amendment 8
Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) For the period after 2020, the Commission intends to put forward the necessary proposals to ensure that strategic investment will continue at a sustainable level, complementing existing Union funds and programmes, such as the European Structural and Investment Funds (ESIF) which will continue to represent the key funds supporting cohesion and investments in all Member States and regions, aimed at promoting growth and jobs and reducing development gaps among regions of the
Union.

Amendment 9
Proposal for a regulation
Recital 7 a (new)

Text proposed by the Commission

Amendment
(7a) Proposals aimed at extending the investment period beyond 2020 should be preceded by, and based on, independent evaluations that analyse whether the EFSI achieves its objectives, in particular regarding the additionality of projects as well as its impact on growth and employment.

Amendment 10
Proposal for a regulation
Recital 7 b (new)

Text proposed by the Commission

Amendment
(7b) Proposals on the extension of the EFSI should not seek to replace or reduce the budget of the European Structural and Investment Funds (ESIF).

Amendment 11
Proposal for a regulation
Recital 8

Text proposed by the Commission

Amendment
(8) The extended EFSI should address remaining market failures and sub-optimal investment situations and continue to mobilise private sector financing in investments crucial for Europe’s future job creation – including for the youth –, growth and competitiveness with strengthened additionality. They include investments in the areas of energy,
environmental, territorial and economic added value, embracing the Union’s economic, social and territorial cohesion. Particular attention should be paid to the regions referred to in Article 174 TFEU. Included are investments, in line with current economic trends, such as in the areas of energy, environment and climate action, social and human capital and related infrastructure, healthcare, research and innovation, cross-border and sustainable transport, as well as the digital transformation. The contribution of operations supported by the EFSI to achieving the Union’s ambitious targets set at the Paris Climate Conference (COP21) should be reinforced. Energy interconnection priority projects and energy efficiency projects should also be increasingly targeted. In addition, EFSI support to motorways should be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country. For reasons of clarity, although they are already eligible, it should be explicitly laid down that projects in the fields of agriculture, fishery and aquaculture come within the general objectives eligible for EFSI support.

Amendment 12

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) Due to their potential to increase the efficiency of the EFSI intervention, blending operations combining non-reimbursable forms of support and/or financial instruments from the Union budget, such as those available under the Connecting Europe Facility, and financing from EIB Group, including EIB financing under the EFSI, as well as other investors should be encouraged. Blending aims to

Amendment

(10) Due to their potential to increase the efficiency of the EFSI intervention, combining non-reimbursable forms of support and/or financial instruments from the Union budget, such as those available under the Connecting Europe Facility, and financing from EIB Group, including EIB financing under the EFSI, as well as other investors should be encouraged. Combining aims to enhance the value
enhance the value added of Union spending by attracting additional resources from private investors and to ensure the actions supported become economically and financially viable.

The combined use of the EFSI and the European Structural and Investment Funds (ESIF) can help attain a wider geographical coverage of the EFSI. However, it is crucial that the EFSI does not replace or crowd-out grants and that its additionality is maintained.

Amendment 13
Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission

(10a) The potential of the EFSI in upturning the labour markets and creating sustainable jobs should be made more evident, as it is the case in the Cohesion Policy, and the relevant reliable data should be gathered and analysed.

Amendment 14
Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) In order to reinforce the take-up of the EFSI in less-developed and transition regions, the scope of the general objectives eligible for EFSI support should be enlarged.

(11) The European Investment Bank’s (EIB) report on ‘Evaluation of the functioning of the European Fund for Strategic Investments’ released on 6 October 2016 highlights the need to address the geographical imbalance of EFSI support by measures such as enlarging the scope of the general objectives and the projects eligible for EFSI support, and strengthening the role of the European Investment Advisory Hub. Therefore, with a view to achieving Union cohesion goals and reinforcing the take-up of the EFSI, particularly in less
developed and transition regions, measures should be taken to enhance and protect the sectorial and geographical diversification of the EFSI.

Amendment 15
Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

(11a) The EFSI and the European Structural and Investment Funds (ESIF) should be seen as complementary, supporting strategic sustainable investments of European added value, in order to achieve Union policy objectives, such as Union climate objectives, which are able to contribute to territorial development and cohesion. However, the scope, objectives, rationale, design, and legal and regulatory frameworks of the EFSI and the ESIF are different.

Amendment 16
Proposal for a regulation
Recital 11 b (new)

Text proposed by the Commission

(11b) The EFSI should be better promoted towards EU candidate countries and membership applicant countries, given the very low level of awareness that the EFSI has in those countries, and that no projects in those countries have so far been financed by the EFSI.

Amendment 17
Proposal for a regulation
Recital 16
Text proposed by the Commission

(16) In line with the exceptional market demand for SME financing under the EFSI which is expected to continue, the EFSI SME Window should be enhanced. Particular attention should be paid to social enterprises, including through the development and deployment of new instruments.

Amendment

Proposal for a regulation
Recital 17

Text proposed by the Commission

(17) The EIB and the EIF should ensure that the final beneficiaries, including SMEs, are informed of the existence of EFSI support, so as to enhance the visibility of the EU guarantee granted under Regulation (EU) 2015/1017.

Amendment

(17) The EIB and the EIF should ensure that the final beneficiaries, including SMEs, are informed of the existence of the various EU support instruments that may be used alone or in combination with the EFSI and should provide assistance to enable the choice of the most appropriate instrument or combination of instruments, so as to enhance the awareness of the EU guarantee granted under Regulation (EU) 2015/1017 and to encourage preparation of investment projects in a broad sectorial and geographic way.

Amendment 19

Proposal for a regulation
Recital 17 a (new)

Text proposed by the Commission

(17a) Awareness campaigns regarding EFSI investment projects should be
launched. In that context, the EIB should publish information and impact assessment results relating to operations and projects carried out, indicating their added value and additionality. Similarly, the EIB should publish analytical data for each funded project, to be able to relate the data to jobs created by the EFSI.

Amendment 20

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The European Investment Advisory Hub (EIAH) should be enhanced and its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects involving two or more Member States and projects that contribute to achieving the objectives of COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms and provide advice on the combination of other sources of Union funding with the EFSI.

Amendment

(21) The European Investment Advisory Hub (EIAH) should be enhanced and therefore dispose of an appropriate budget. Its activities should focus on needs not covered adequately under current arrangements. It should pay particular attention to supporting the preparation of projects involving two or more Member States and projects that contribute to achieving the objectives of COP21. Notwithstanding its objective to build upon existing advisory services of the EIB and the Commission, so to act as a single technical advisory hub for project financing within the Union, the EIAH should also contribute actively to the objective of sectorial and geographical diversification of the EFSI and support the EIB where needed in originating projects. It should also actively contribute to the establishment of investment platforms and provide advice on the combination of other sources of Union funding with the EFSI.

Amendment 21

Proposal for a regulation
Article 1 – paragraph 1 – point 1 a (new)
Regulation (EU) No 2015/1017
Article 5 – paragraph 1 – subparagraph 2
Present text

The projects supported by the EFSI, while striving to create employment and sustainable growth, shall be considered to provide additionality if they 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.

Amendment

(1a) in Article 5(1) the second subparagraph is replaced by the following:

‘EIB special activities, as defined in Article 16 of the EIB Statute and by the credit risk policy guidelines of the EIB, supported by the EFSI, shall also be considered to provide additionality if it is publicly documented that they address market failure or sub-optimal investment situations and could not have been carried out without EFSI support in the same period by the EIB, the EIF or under existing Union financial instruments,’

Amendment 22

Proposal for a regulation

Article 1 – paragraph 1 – point 2
Regulation (EU) No 2015/1017
Article 5 – paragraph 1 – subparagraph 3

Text proposed by the Commission

To better address market failures or sub-optimal investment situations, EIB special activities supported by the EFSI shall typically have features such as subordination, participation in risk-sharing instruments, cross-border characteristics, exposure to specific risks or other identifiable aspects as further described in Annex II.

Amendment

To better address market failures or sub-optimal investment such as those due to barriers caused by national borders or regulation, EIB special activities supported by the EFSI shall typically have features such as subordination, participation in risk-sharing instruments, cross-border characteristics, exposure to specific risks or other identifiable aspects as further described in Annex II.

Amendment 23

Proposal for a regulation

Article 1 – paragraph 1 – point 2
Regulation (EU) No 2015/1017
Article 5 – paragraph 1 – subparagraph 3 a (new)
Text proposed by the Commission

Amendment

Cross-border cooperation projects and projects of interregional cooperation, in particular between functional regions, shall also be considered to provide additionality.

Amendment 24

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 2015/1017
Article 5 – paragraph 1 – subparagraph 4

Text proposed by the Commission

EIB projects carrying a risk lower than the minimum risk under EIB special activities may also be supported by the EFSI if the use of the EU guarantee is required to ensure additionality as defined in the first subparagraph of this paragraph.

Amendment

EIB projects carrying a risk lower than the minimum risk under EIB special activities can only be supported by the EFSI if it is proven that the use of the EU guarantee is required to ensure additionality as defined in the first subparagraph of this paragraph. The Investment Committee shall ensure that additionality is verified in its selection procedure.

Amendment 25

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 2015/1017
Article 5 – paragraph 1 – subparagraph 5

Text proposed by the Commission

The projects supported by the EFSI that consist of physical infrastructure linking two or more Member States or of the extension of physical infrastructure or services linked to physical infrastructure from one Member State to one or more Member States, shall also be considered to provide additionality.;

Amendment

The cross-border projects supported by the EFSI that consist of physical and non-physical infrastructure or intangible infrastructure linking two or more Member States, such as digital infrastructure, IT and research network, or of the extension of such forms of infrastructure or services linked to infrastructure from one Member State to one or more Member States, shall also be
Amendment 26

Proposal for a regulation
Article 1 – paragraph 1 – point 3
Regulation (EU) No 2015/1017
Article 6 – paragraph 1 – introductory words

Text proposed by the Commission
The EFSI Agreement shall provide that the EFSI is to support projects which address market failures or sub-optimal investment situations and which;

Amendment
The EFSI Agreement shall provide that the EFSI is to support geographically balanced projects which provide additionality and address market failures or sub-optimal investment situations and which;

Amendment 27

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point a – point i (new)
Regulation (EU) No 2015/1017
Article 7 – paragraph 8 – subparagraph 3

Present text
The composition of the Investment Committee shall be gender-balanced. The Steering Board shall strive to select experts having experience in investment in one or more of the following fields:

Amendment
(-i) the third subparagraph is replaced by the following:

The composition of the Investment Committee shall be gender-balanced. The Steering Board shall strive to select experts that together represent a mix of experience in investment in all of the following fields:

Amendment 28

Proposal for a regulation
Article 1 – paragraph 1 – point 4 – point d
Regulation (EU) No 2015/1017
Article 7 – paragraph 12 – subparagraph 2 – sentence 2

Text proposed by the Commission

Amendment
considered to provide additionality;
Decisions approving the use of the EU guarantee shall be public and accessible, and include the rationale for the decision, with particular focus on compliance with the additionality criterion. The publication shall not contain commercially sensitive information. In reaching its decision, the Investment Committee shall be supported by the documentation provided by the EIB.;

Amendment 29

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point b
Regulation (EU) No 2015/1017
Article 9 – paragraph 2 – subparagraph 1a

Text proposed by the Commission

The EIB shall target that at least 40 % of EFSI financing under the infrastructure and innovation window supports projects with components that contribute to climate action, in line with the COP21 commitments. The Steering Board shall provide detailed guidance to that end.;

Amendment

The EIB shall aim to achieve that at least 40 % of EFSI financing in the combined objectives under the infrastructure and innovation window support projects with components that contribute to climate action, in line with the COP21 commitments. EFSI financing for SMEs and mid-cap companies shall not be included in that computation. The steering Board shall provide detailed guidance to that end.

Amendment 30

Proposal for a regulation

PE597.638v02-00  138/150  RR\1126064EN.docx
Article 1 – paragraph 1 – point 9 – point a – point i
Regulation (EU) No 2015/1017
Article 14 – paragraph 1 – subparagraph 1 – sentence 2

Text proposed by the Commission

Such support shall include providing targeted support on the use of technical assistance for project structuring, on the use of innovative financial instruments and on the use of public-private partnerships, taking into account the specificities and needs of Member States with less-developed financial markets.;

Amendment

Such support shall include providing targeted support on the use of technical assistance for project structuring, on the use of innovative financial instruments, with a special focus on SMEs, regional and local authorities and on the use of public-private partnerships and advice on relevant issues relating to Union law, taking into account the specificities and needs and investment potential of Member States with less-developed financial markets. The EIAH shall provide technical assistance in the areas listed in Article 9(2), including energy efficiency, renewable energy, agriculture, circular economy, TEN-T and urban mobility.

Furthermore, the EIAH shall communicate to the Commission any regulatory barriers it has identified, thus creating feedback as between the EIB and the Commission;

Amendment 31

Proposal for a regulation

Article 1 – paragraph 1 – point 9 – point b – point i
Regulation (EU) No 2015/1017
Article 14 – paragraph 2 – point c

Text proposed by the Commission

(c) leveraging local knowledge to facilitate EFSI support across the Union and contributing where possible to the objective of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations;

Amendment

(c) leveraging regional and local knowledge, as well as supporting capacity building to facilitate EFSI support across the Union at all levels and contributing where possible to the objectives of economic, social and territorial cohesion, as well as of sectorial and geographical diversification of the EFSI referred to in Section 8 of Annex II by supporting the EIB to originate operations, also in coordination with national and regional
promotional banks;'

Amendment 32

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point ii
Regulation (EU) No 2015/1017
Article 14 – paragraph 2 – point e

Text proposed by the Commission
(e) providing pro-active support on the establishment of investment platforms;

Amendment
(e) providing proactive support on the establishment of investment platforms, with the aim of improving access for projects involving different Member States, also in coordination with regional and national promotional banks;

Amendment 33

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point b – point iii
Regulation (EU) No 2015/1017
Article 14 – paragraph 2 – point f

Text proposed by the Commission
(f) providing advice on the combination of other sources of Union funding (such as the European Structural and Investment Funds, Horizon 2020 and the Connecting Europe Facility) with the EFSI.

Amendment
(f) providing advice on the combination of other sources of Union funding with the EFSI in order to allow for optimum complementarity of, and synergies between, investments with a view to unified programming of policy intervention.

Amendment 34

Proposal for a regulation
Article 1 – paragraph 1 – point 9 – point c
Regulation (EU) No 2015/1017
Article 14 – paragraph 5

Text proposed by the Commission
5. In order to achieve the objective referred to in paragraph 1 and to facilitate

Amendment
5. In order to achieve the objective referred to in paragraph 1 and to facilitate
the provision of advisory support at local level, the EIAH shall seek to use the expertise of the EIB, the Commission, national promotional banks or institutions, and the managing authorities of the European Structural and Investment Funds.;

In order to facilitate the crowding-in of private investors, interaction among the EIAH, the EIPP, the EIB, and national and regional promotional banks or institutions shall be strengthened.;

Amendment 35

Proposal for a regulation
Article 1 – paragraph 1 – point 9 a (new)
Regulation (EU) No 2015/1017
Article 16 – paragraph 2

Present text

‘2. The EIB, in cooperation with the EIF where appropriate, shall submit an annual report to the European Parliament and to the Council on EIB financing and investment operations covered by this Regulation. The report shall be made public and shall include:’

Amendment

(9a) in Article 16, paragraph 2 is replaced by the following:

‘2. The EIB, in cooperation with the EIF where appropriate, shall submit an annual report to the European Parliament, the Council and the Committee of the Regions, the European Economic and Social Committee and the European Court of Auditors on EIB financing and investment operations covered by this Regulation. The report shall be made public and shall include:’

Amendment 36

Proposal for a regulation
Article 1 – paragraph 1 – point 9 b (new)
Regulation (EU) No 2015/1017
Article 16 – paragraph 2 – point f

Present text

(9b) (15) Article 16(2)(f) is replaced by the following:

Amendment
“(f) a description of the projects where the support of the European Structural and Investment Funds is combined with the support of the EFSI, and the total amount of the contributions from each source;”

“(f) when EFSI means are combined with other sources of Union funding, such as ESIF, Horizon 2020 and CEF, a detailed description of the projects, as well as the exact financial contribution from each source, shall be provided’, as well as a risk profile of each project;”

Amendment 37

Proposal for a regulation
Article 1 – paragraph 1 – point 9 c (new)

Regulation (EU) No 2015/1017
Article 16 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

(9c) in Article 16 the following paragraph is added:

‘6a. The EIB shall develop, for reporting purposes, a set of result indicators for each operation, in order to provide a reliable basis for analysing the added value of Union funding. Such methodology shall be approved by the Steering Board.’

Amendment 38

Proposal for a regulation
Article 1 – paragraph 1 – point 10 – point a

Regulation (EU) No 2015/1017
Article 18 – paragraph 6

Text proposed by the Commission

Amendment

6. By 30 June 2018 and 30 June 2020, the Commission shall submit to the European Parliament and the Council a report containing an independent evaluation of the application of this Regulation.;

6. By 30 June 2018 and 30 June 2020, the Commission shall submit to the European Parliament and the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions, the European Court of Auditors and the European Investment Bank a report containing an independent evaluation of the application of this Regulation, and whether the EFSI
is achieving its objectives concerning the additionality of the projects and its impact on social, economic and territorial cohesion, as well as whether a better geographical balance of the projects could be achieved.

Amendment 39

Proposal for a regulation
Article 1 – paragraph 1 – point 11
Regulation (EU) No 2015/1017
Article 19 – paragraph 1 a

Text proposed by the Commission

The EIB and EIF shall inform or shall oblige financial intermediaries to inform the final beneficiaries, including SMEs, of the existence of EFSI support.;

Amendment

The EIB and EIF shall inform and shall oblige financial intermediaries to inform the final beneficiaries, including SMEs, of the existence of the various Union support instruments that may be used alone or in combination with EFSI.

The EIB shall publish on its website the amount of EFSI funding for each project.;

Amendment 40

Proposal for a regulation
Annex I – point 1 – point -a (new)
Regulation (EU) No 2015/1017
Annex II – section 2 – point a – indent 5

Present text

‘- public sector entities (territorial or not, but excluding operations with such entities giving rise to direct Member State risk) and public-sector type entities.’

Amendment

(-a) in point a, indent 5 is replaced by the following:

‘- public sector entities (territorial or otherwise, but excluding operations with such entities giving rise to direct Member State risk) and public-sector type entities. A European Grouping of Territorial Cooperation (EGTC), established in accordance with Regulation No 1082/2006 on EGTC*, shall be considered to be an entity not giving rise to direct
Amendment 41

Proposal for a regulation
Annex I – point 1 – point a
Regulation (EU) No 2015/1017
Annex II – section 2 – point b

*Text proposed by the Commission*

EFSI support to motorways shall be avoided, unless it is needed to support private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country.

*Amendment*

EFSI support to motorways shall be avoided, unless it is needed to support public or private investment in transport in cohesion countries or in cross-border transport projects involving at least one cohesion country or where the market failure element is unequivocally established and the additionality is clearly assessed.

Amendment 42

Proposal for a regulation
Annex I – point 6 – point c
Regulation (EU) No 2015/1017
Annex II – Section 8 – point b

*Text proposed by the Commission*

(c) in the first sentence of point (b), the word ‘initial’ is deleted.

*Amendment*

(c) in the first sentence of point (b), the word ‘initial’ is deleted. In the second sentence of point (b), the word ‘adopt’ is replaced by ‘adopt and ensure the effective implementation of’.

*Member State risk.*

**PROCEDURE – COMMITTEE ASKED FOR OPINION**

<table>
<thead>
<tr>
<th>Title</th>
<th>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</th>
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<td>Opinion by</td>
<td>REGI 3.10.2016</td>
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<td>Rapporteur</td>
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<tr>
<td>Date appointed</td>
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<tr>
<td>Rule 55 – Joint committee procedure</td>
<td>19.1.2017</td>
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<td>Date adopted</td>
<td>21.3.2017</td>
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| Result of final vote | +: 29  
-: 5  
0: 0 |
| Substitutes present for the final vote | Andor Deli, Josu Juaristi Abaunz, Ivana Maletić, Demetris Papadakis, Tomasz Piotr Poręba, Julia Reid, Davor Škrlec, Damiano Zoffoli, Milan Zver |
| Substitutes under Rule 200(2) present for the final vote | Luigi Morgano |
### Final Vote by Roll Call in Committee Asked for Opinion

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Key to symbols:
+ : in favour  
- : against  
0 : abstention
# PROCEDURE – COMMITTEE RESPONSIBLE

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<tr>
<th>Title</th>
<th>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</th>
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<td>Nedžhmi Ali, Gerolf Annemans, Jonathan Arnott, Jean Arthuis, Hugues Bayet, Pervenche Berès, Reimer Böge, Udo Bullmann, Leftferis Christoforou, Gérard Deprez, Manuel dos Santos, José Manuel Fernandes, Jonás Fernández, Eider Gardiazañabal Rubial, Esteban González Pons, Ingeborg Gräble, Roberto Gualtieri, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Cătălin Sorin Ivan, Petr Ježek, Barbara Kappel, Othmar Karas, Bernd Kölml, Zbigniew Kuzmiuk, Alain Lamassoure, Werner Langen, Olle Ludvigsson, Marisa Matias, Gabriel Mato, Bernard Monot, Clare Moody, Luigi Morgano, Siegfried Mureșan, Victor Negrescu, Luděk Niedermayer, Jan Olbrycht, Stanisław Ożóg, Urmas Paet, Pina Piccierno, Paul Rübig, Pirkko Ruohonen-Lerner, Pedro Silva Pereira, Peter Simon, Jordi Solé, Théodor Dumitru Stolojan, Patricija Šul, Eleftherios Synadinios, Paul Tang, Indrek Tarand, Michael Theurer, Isabelle Thomas, Ramon Tremosa i Balcells, Marco Valli, Tom Vandenkendelaere, Miguel Viegas, Daniele Viotti, Marco Zanni, Stanisław Żółtek</td>
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# FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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