



2016/2064(INI)

13.10.2016

OPINION

of the Committee on Regional Development

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

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

Rapporteur: Mercedes Bresso

PA_NonLeg

SUGGESTIONS

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

1. Recalls that Cohesion Policy is the main investment policy of the Union, aimed at reducing regional disparities and contributing to the Union strategy for smart, sustainable and inclusive growth; notes the initial results of the European Fund for Strategic Investments (EFSI), in mobilising private investments, particularly for SMEs; recalls that the EFSI must also contribute to economic, social and territorial cohesion and that efforts are needed to enhance synergies and complementarity between the EFSI and European Structural and Investment Funds (ESIFs) and other EU programmes; underlines the importance of ensuring additionality of the EFSI with respect to other EIB initiatives and EU-funded programmes, as this aspect has been frequently overlooked in the implementation process to date, by addressing market failures or suboptimal investment situations;
2. Welcomes the investment projects approved by the EIB Board of Directors revealing a pool of higher risk operations that would not have been financed by financial institutions or Cohesion Policy operations; notes, however, that many of the operations cover ESIF intervention and eligibility criteria, especially with regard to the ERDF; calls for a higher risk profile of approved investment projects to bring more value to the economy and to cover market niches which will otherwise remain major investment gaps;
3. Urges the Commission and the EIB to step up efforts and put in place mechanisms, including a set of criteria that ensure that additionality is verified;
4. Calls on the Commission in collaboration with the EIB – with a view to assessing the usefulness of EFSI support, the prospects for EFSI support in future and a possible extension of EFSI – to submit a comprehensive analysis of the projects supported so far, including the SME pillar, and to provide full-scale data and information on the progress of the SMEs window;
5. Acknowledges the publication of the Commission's new guidelines of 22 February 2016 on combining ESIFs and the EFSI and the publication of the Commission and the EIB of 18 of March on EFSI rules related to investment platforms; notes, however, that the number of existing synergies between EFSI and ESI Funds is still extremely low and calls on the Commission, the EIB, the national and regional promotional banks and institutions (NPBI) and the managing authorities to accelerate the design and implementation of further synergies in order to ensure a wider geographical coverage of the EFSI;
6. Is concerned about the Commission proposal requiring the highest risk-taking tranche of the investment to be covered by ESI Funds instead of EFSI when the instruments are combined; believes that this leads to legal uncertainty in the use of ESI Funds, and runs counter to the initial EFSI rationale of providing for new risk-bearing capacity for EU investment;
7. Expresses concern at the limited role of Parliament in EFSI implementation and the lack of transparency regarding specific project selection criteria, as well as the amounts

allocated in each case, many of which are ‘not disclosed’;

8. Observes that Commission guidelines and action on achieving synergies do not go into sufficient detail; notes that so far existing ESI Funds-EFSI combinations are bottom-up demand-driven by local authorities and actors;
9. Considers that the Commission, the EIB, the Committee of the Regions, the Member States and the managing authorities, including those at regional level, should cooperate better in order to ensure that more integrated and complementary ESIF-EFSI projects with European added value are put forward to boost territorial development and cohesion policy; notes that projects in the circular economy could provide an example of integrated ESIF-EFSI projects since they promote the role of local and regional authorities in enabling a transition to a sustainable, resource-efficient, competitive economy, while fitting into the investment profile of EFSI-fundable projects;
10. Considers it essential to take into account the different economic and infrastructural development needs of the regions and the territorial diversity of the Member States, while ensuring that the eligibility of projects is protected from any interference which could lead to appropriations being spread too thinly; highlights the importance of also developing thematic or cross-border projects that could deliver cohesion and higher European added value and points out that unified guidelines on cross-border projects should therefore be elaborated; encourages all the Member States to identify and facilitate the involvement process of the National and Regional Promotional Banks, which are essential for the establishment of investment platforms of either thematic or regional concentration;
11. Calls on the Commission and the Member States, in order to accelerate the implementation of the EFSI projects and their synergies with ESI Funds, to facilitate the use of alternative financing models such as Public Private Partnerships, as well as to simplify the legislative framework of the state aid rules; calls on the Member States to prepare pipelines of mature investment projects with the help of the Advisory Hub, structuring them in an optimal way to ensure greater use of financial instruments and complementarities between ESIF and ESI Funds;
12. Calls on the Commission and the EIB to invest efforts in enabling non-participating regions by means of investment in on-the-ground technical assistance in order to bring about regionally balanced project operations; believes that the creation of local investment platforms – a meeting point for public funds and private financing – should be accelerated;
13. Refers to experience gained from cohesion policy operations which shows that technical assistance to private and public beneficiaries is most needed at regional and local level; calls, therefore, on the Commission and the EIB to involve financial intermediaries and umbrella organisations in a flexible and open way; believes that a rigorous communication campaign on EFSI investment projects should be undertaken in the under-performing EU regions;
14. Considers that EFSI projects must respect the requirements for thematic concentration when complementing ESI funding; notes that there is a need to accelerate the implementation of EFSI projects and to take into consideration the Member States’ priorities under ESIF and EFSI;

15. Believes that the selection of EFSI financing operations and the managing of projects should be more transparent, accountable and based on defined criteria, and should involve local and regional stakeholders at an early stage where necessary; notes the need to involve local and regional authorities more closely in the selection of projects of local and regional interest; stresses that the European Investment Advisory Hub (EIAH) and the EFSI investment committee should use the expertise of regional and local authorities in order to promote integrated and complementary ESIF-EFSI projects; with a view to this, the EIAH should play an active role in enabling even more local and regional authorities to make the most of the EFSI; encourages the Member States, as well as local and regional authorities, to present projects that could be complementarily funded by EFSI and ESIF within the European Investment Project Portal in order to attract investment to their territory;
16. Emphasises the need to strengthen the national and regional platform in order to support the coordination and synergies between EU funds and other programmes; calls, at the same time, for administrative instruments to be brought in at Member State level so that projects submitted for funding can be directed to the appropriate instruments, depending on the nature of the project;
17. Asks the Commission to avoid double targeting, whereby EFSI funding is targeted at projects which could equally well be financed by ESI funds; calls, in light of the importance of additionality and complementarity, for better visibility of, and communication on, the ESI Funds instead of the current somewhat one-sided highlighting of the EFSI by the Commission;
18. Recalls that the Parliament must play a fundamental role in monitoring the impact of these strategies and projects with the aim of boosting employment and sustainable and economic growth; stresses that the EP must also have a significant role in monitoring the impact of the synergies and complementarities of EFSI with ESI Funds and the other EU programmes.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

| | |
|---|---|
| Date adopted | 11.10.2016 |
| Result of final vote | + : 28 - : 3 0 : 1 |
| Members present for the final vote | Pascal Arimont, Franc Bogovič, Mercedes Bresso, Rosa D'Amato, Krzysztof Hetman, Ivan Jakovčić, Constanze Krehl, Louis-Joseph Manscour, Iskra Mihaylova, Jens Nilsson, Andrey Novakov, Konstantinos Papadakis, Mirosław Piotrowski, Stanislav Polčák, Julia Reid, Terry Reintke, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Maria Spyraiki, Ruža Tomašić, Ramón Luis Valcárcel Siso, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Joachim Zeller |
| Substitutes present for the final vote | Viorica Dăncilă, Josu Juaristi Abaunz, Bronis Ropė, Peter Simon, Branislav Škripek, Damiano Zoffoli |