27.4.2015

OPINION

of the Committee on Industry, Research and Energy

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


Rapporteur(*): Kathleen Van Brempt

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

Introduction

For many years, influential voices from the political and academic world and from the civil society have been advocating a boost of investments in the EU to overcome the investment gap that has been shaped as a consequence of the economic and financial crisis. This investment gap has created a downward spiral of decreasing expenditure, increasing joblessness and a loss of trust in the future progress. Therefore, the Commission's proposal on the European Fund for Strategic Investments (EFSI) should be warmly welcomed.

New incentives to boost investments - by backing them with EU guarantees - can create trust again amongst investors, public authorities and industries in tomorrow's growth. By unlocking new investments, EFSI can become the flywheel of a new investment cycle that creates new jobs and opportunities. These new investments are not only needed to relaunch the EU economy, but also to transform it into a resilient, innovative, inclusive, low carbon and circular economy.

Instead of paving the old cow paths by investing in simple replacements and maintenance, we'll have to invest in real transformative projects, services and infrastructures, which are capable of tackling the "new" challenges that threaten our welfare and prosperity. These challenges include our loss of competitiveness, the dangerous change of our climate, our dependency on scarce and critical natural resources from outside the Union, and the volatility and unpredictability of energy and resource prices that go along with it.

To deal with these challenges, the EU has given form to ambitious policies on employment, innovation, education, social inclusion, climate and energy. Europe 2020 was formulated as the EU's growth strategy for this decade with the aim to become a "smart, sustainable and inclusive economy". The 20/20/20 climate and energy strategy, the Commission's Energy Roadmap 2050, the 7th Environmental Action Plan and the Council's conclusions of 28 October 2014 on the reduction of greenhouse gases after 2020, ask for a decarbonised and more circular economy and for a real transformation of our transport and energy sectors. The recently launched strategy for the Energy Union focusses on a more interconnected energy market - able to integrate and exchange ever larger amounts of renewable sources - and stresses the importance of energy efficiency as an energy source in its own right. Horizon 2020 was established as the biggest EU Research and Innovation program ever, promising to drive innovation by taking great ideas from lab to the market. Through the direct link it sets between research and innovation, Horizon 2020 aims to secure Europe's global competitiveness, through an emphasis on excellent science, industrial leadership and tackling societal challenges.

It's in our utmost interest that EFSI strengthens and helps materialize these policies by focusing on the transformative investments needed in sustainable and low carbon transport infrastructure, in the digital and research infrastructures, in renewable energy, energy efficiency and energy storage and in bringing innovative products, services and technologies to the market.

At the same time, a weakening of the Union's policies, by making unrepairable cuts in funds...
that help to achieve these ambitions or by supporting sub-optimal investments or investments with a high risk of being stranded before the end of their lifetime (because of their incompatibility with the long term targets), should be avoided.

Therefore, the rapporteur will formulate amendments to the proposed regulation aimed at:

1. Introducing an alternative to the financing of the EU guarantee fund to preserve the funds available under Horizon 2020 and the Connecting Europe Facility (CEF).

2. Bringing EFSI support under the framework of the Union's strategy for a "smart, sustainable and inclusive growth", and help realize the energy and climate goals by focusing on transformative investments in the transport and energy sector and avoiding lock-in investments.

3. Contributing to the ambitions of the Energy Union on energy efficiency.

The main attention of this opinion is naturally given to the exclusive competences of the ITRE Committee.

1. Alternative to the financing of the EU guarantee fund

It has to be stressed that it is not the intention of the rapporteur to touch on the general philosophy of the EU guarantee financed by the EU budget. The availability of the EU Guarantee to the EIB is ensured legally and financially as soon as the EFSI Regulation enters into force, and as soon as the EFSI agreement is signed between the EIB and the EC.

What the rapporteur challenges is the way in which the EU guarantee fund is established and financed. In the proposal for the EFSI regulation, financing is found by making cuts in the Horizon 2020 and Connection Europe Facility, in budget lines that cover grants. The cuts made will touch the integrity of these programs especially for these strategic investments - such as fundamental research - where co-financing in the market is difficult. The proposed cuts in Horizon 2020 will hit the "open calls" the hardest - thus hitting research in areas where it is particularly needed. Cutting on these budget lines will ultimately weaken the additional potential of EFSI.

The alternative proposed in this report is to skip the cuts made upfront in Horizon 2020 and CEF, as it not necessary to decide a priori on the funding scheme of the Guarantee Fund.

Its funding can be met by gradual budgetary commitment appropriations to be decided in the frame of the annual budgetary procedure. For this purpose, the budgetary authority should make use, where appropriate, of all available mechanisms of flexibility and relevant provisions under the 2014-2020 MFF Regulation that would lead only as a last resort to cuts in the envelope for programmes under heading 1A.

2. Aligning EFSI investments with the Union's strategy for smart, sustainable and inclusive growth and improving coherency with Union's environmental policy

The investments supported under EFSI should contribute to the Union's strategy for smart, sustainable and inclusive growth adopted in the conclusions of the European Council of 17
June 2010. In order to improve coordination of the Union’s investment policies, Regulation 1303/2013 was established with a Common Strategic Framework (CSF) in order to promote the harmonious, balanced and sustainable development of the Union. This integrated approach should accordingly be applied to operations and projects supported by EFSI. EFSI should contribute to the meeting of the approved climate targets for 2020, 2030 and 2050 and should therefore focus on transformative investments in decarbonising our transport and energy sectors and in closing our material loops. Meanwhile, investments in long term high carbon infrastructures - at risk of being stranded before the end of their lifetime if the medium and long term climate objectives have to be met - should be avoided.

3. Materialize the Energy Union and addressing the "epic failure" of current energy policies

The Commission Communication (COM(2015/80)) on the Energy Union has stressed the importance of energy efficiency as an energy source in its own right, and states clearly that EFSI "provides an opportunity to leverage major investments in renovating building". To grasp that opportunity, a special focus on energy efficiency is needed in the EFSI regulation by earmarking a share of the granted guarantees for energy efficiency, by providing technical assistance to the establishment of dedicated investment platforms for aggregated energy efficiency projects and by broadening the "investment clause" for energy efficiency investments.

The earmarking (at least 20 % of the granted guarantees has to be reserved for energy efficiency investments) is absolutely necessary to meet the Energy Union’s ambitions on energy efficiency as "first fuel". Past experience shows that over the last decade energy efficiency got much less support (8 % of the total energy support) than all other energy supply options (renewables, fossil fuels, nuclear). Without earmarking, this won't change. The analysis made by E3G of the Member States proposals for the European Investment Plan, shows that only 5 % of the projects listed by Member States include energy efficiency measures, smart cities or demand side management. Instead of being the "first energy source", energy efficiency in reality stays the last option. Chief economist Fatih Birol of the IEA stated that "energy efficiency remains an “epic failure” in most nations’ energy policies", with two-thirds of the world’s economic potential to improve energy efficiency to remain unrealized. Energy efficiency operations often entail a combination of several smaller investments, whose management is cumbersome. If they are treated separately, in a non-coordinated way, energy efficiency measures are facing a lot of administrative and transaction costs and are often difficult to finance.

Therefore a special facility under the EIAH should be created to offer technical assistance for the establishment of dedicated investment platforms all over Europe for the bundling of small projects in particular in the refurbishment of the building stock. That facility can make use of the experience already achieved by the EIB (JESSICA) and learn from the good examples of successful national refurbishing programmes. These programmes prove the multiple benefits of a massive refurbishment: high job creation, excellent cost effectiveness, increased energy security, SME support, and reduced energy poverty. Benefits that can be upscaled and multiplied by making use of EFSI.

---

4. Miscellaneous

The rapporteur has also included some amendments that deal with the governance issues of the EFSI. No doubt, as a committee with exclusive competences on the eligibility criteria for the projects to be supported, the rapporteur also wants to make sure that the projects supported actually comply with the criteria and objectives proposed. Notably, this is taken along in amendments on the composition of the investment committee, as that committee will be responsible for the day to day decision making on which projects to be supported. Moreover, the rapporteur believes that, for the EFSI to function according to the conditions stipulated in the Regulation, provisions must be included to ensure that these conditions are correctly translated into the agreement the Commission shall conclude with the European Investment Bank on the establishment of the EFSI.

Finally, some definitions are stated on small and medium enterprises (SMEs), small mid-caps and innovative mid-caps, which should benefit particularly from EFSI support. The reasoning behind this is the rapporteur's belief in the special ability of these companies to create the true innovative changes that generate economic and societal added value, improve the health, and day-to-day living conditions of EU citizens, and stimulate the EU's competitiveness.

AMENDMENTS

The Committee on Industry, Research and Energy 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>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The economic and financial crisis has led to a lowering of the level of investments within the Union. Investment has fallen by approximately 15% since its peak in 2007. The Union suffers in particular from a lack of investment as a consequence of market uncertainty regarding the economic future and the fiscal constraints on Member States. This lack of investment slows economic recovery and negatively affects job creation, long-term growth prospects and competitiveness.</td>
<td>(1) The economic and financial crisis has led to a lowering of the level of investments within the Union. Investment has fallen by approximately 15% since its peak in 2007. The Union suffers in particular from a lack of investment as a consequence of policies which have depressed aggregate demand and market uncertainty regarding the economic future and the fiscal constraints on Member States. This lack of investment, in particular in those regions more affected by the crisis, slows economic recovery and negatively affects job creation, long-term growth prospects and competitiveness.</td>
</tr>
</tbody>
</table>
Amendment 2
Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) Comprehensive action is required to reverse the vicious circle created by a lack of investment. Structural reforms and fiscal responsibility are necessary preconditions for stimulating investment. Along with a renewed impetus towards investment financing, these preconditions can contribute to establishing a virtuous circle, where investment projects help support employment and demand and lead to a sustained increase in growth potential.

Amendment

(2) Comprehensive action is required to reverse the vicious circle created by a lack of investment. Structural reforms and fiscal responsibility are necessary preconditions for stimulating investment, bearing in mind social and regional cohesion. Along with a renewed impetus towards investment financing, these preconditions can contribute to establishing a virtuous circle, where investment projects help support employment and demand and lead to a sustained increase in growth potential, without which the restoration of public accounts will not be possible. European banks can provide liquidity, market making and loans to finance investments needed.

Amendment 3
Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) The G20, through the Global Infrastructure Initiative, has recognised the importance of investment in boosting demand and lifting productivity and growth and has committed to creating a climate that facilitates higher levels of investment.

Amendment

(3) The G20, through the Global Infrastructure Initiative, has recognised the importance of investment in boosting demand and lifting productivity and growth and has committed to creating a climate that facilitates higher levels of investment. The EFSI should complement to an overall strategy to improve investments in...
the Union, not replacing other investments and financial structures and not undermining the Union's investments in science, research and development.

Amendment 4
Proposal for a regulation
Recital 4

**Text proposed by the Commission**

(4) Throughout the economic and financial crisis, the Union has made efforts to promote growth, in particular through initiatives set out in the Europe 2020 strategy that put in place an approach for smart, sustainable and inclusive growth. The European Investment Bank ('EIB') has also strengthened its role in instigating and promoting investment within the Union, partly by way of an increase in capital in January 2013. Further action is required to ensure that the investment needs of the Union are addressed and that the liquidity available on the market is used efficiently and channelled towards the funding of viable investment projects.

**Amendment**

(4) Throughout the economic and financial crisis, the Union has made efforts to promote growth, in particular through initiatives set out in the Europe 2020 strategy that put in place an approach for smart, sustainable and inclusive growth. The European Investment Bank ('EIB') has also strengthened its role in instigating and promoting investment within the Union, partly by way of an increase in capital in January 2013. Further action is required to coordinate policies and instruments and to ensure that the investment needs of the Union are addressed and that the liquidity available on the market is used efficiently and channelled towards the funding of viable investment projects, from an economic, environmental and social point of view, which will enable the creation of quality jobs and the broadening and improvement of the productive base of Member States, especially those most affected by the crisis.

Amendment 5
Proposal for a regulation
Recital 5

**Text proposed by the Commission**

(5) On 15 July 2014, the then President-elect of the European Commission presented a set of Political Guidelines for

**Amendment**

(5) On 15 July 2014, the then President-elect of the European Commission presented a set of Political Guidelines for
the European Commission to the European Parliament. These Political Guidelines called for the mobilisation of ‘up to EUR 300 billion in additional public and private investment in the real economy over the next three years’ to stimulate investment for the purpose of job creation.

Amendment 6
Proposal for a regulation
Recital 9

Text proposed by the Commission
(9) The investment environment within the Union should be improved by removing barriers to investment, reinforcing the Single Market and by enhancing regulatory predictability. The work of the EFSI, and investments across Europe generally, should benefit from this accompanying work.

Amendment
(9) The investment environment within the Union should be improved by removing barriers to investment, reinforcing the Single Market by establishing truly functional capital, digital and energy markets and by reducing red tape and enhancing regulatory predictability. The work of the EFSI, and investments across Europe generally, should benefit from this accompanying work.

Amendment 7
Proposal for a regulation
Recital 10

Text proposed by the Commission
(10) The purpose of the EFSI should be to help resolve the difficulties in financing and implementing productive investments in the Union and to ensure increased access to financing. It is intended that increased access to financing should be of particular benefit to small and medium enterprises. It is also appropriate to extend the benefit of such increased access to financing to mid-cap companies, which are companies having up to 3000 employees. Overcoming Europe's current

Amendment
(10) The purpose of the EFSI should be twofold: to help resolve the difficulties in financing and implement long-term productive strategic and transformative investments in the Union that provide an immediate boost to Europe's economy, and to ensure increased access to financing for companies up to 3000 employees with particular focus on start-ups, spin-offs, micro-enterprises, small and medium enterprises and cooperatives. Overcoming Europe's current investment difficulties
investment difficulties should contribute to strengthening the Union's economic, social and territorial cohesion.

should contribute to strengthening the Union's *competitiveness, innovation potential*, economic, social and territorial cohesion and energy and resource efficiency by transitioning into a sustainable and circular economy.

Amendment 8

Proposal for a regulation
Recital 11

*Text proposed by the Commission*

(11) The EFSI should support strategic investments with high economic value added contributing to achieving Union policy objectives.

*Amendment*

(11) The EFSI should support strategic investments with high economic, *social and environmental* value added contributing to achieving Union policy objectives, and to the Union's social and territorial cohesion. These investments should be in line with the objectives and criteria set out in this Regulation in the sectors of transport, telecommunications and energy, to develop and modernize the energy infrastructure, increase competitiveness and enhance the security of the Union's energy system, by promoting energy interconnections and synchronisation of power systems with the rest of the Union, expanding renewable energy and energy and resource efficiency, contributing to sustainable development; by developing broadband and digital service networks; as well as sustainable transport networks and by exploiting potential synergies between those sectors; and which strengthen the European scientific and technological base, support scientific collaboration between academia and industry, improve exploitation and market-uptake of research results, facilitate patenting and technology transfer, and foster benefits for society as well as better exploitation of the economic and industrial potential of policies of innovation, research and technological development, including
research infrastructure, pilot and demonstration facilities. The EFSI should improve access to finance and the competitiveness of enterprises and other entities, with special emphasis on SMEs. The EFSI should contribute to the transformation to a sustainable, circular and resource efficient economy, boosting innovation, skills and sustainable local job creation.

Amendment 9
Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Taking into account that small mid-cap companies with up to 499 employees and mid-cap companies with up to 3000 employees represent the most innovative segment of companies in the private sector, generating on average a higher number of patents, process innovations and product innovations as well as higher returns on investment, while still facing similar problems as SMEs regarding access to finance, the EFSI should tailor some of its financial products towards small mid-caps and mid-cap companies in particular.

Justification

For certain types of projects - particularly research and innovation activities - the lack of access to risk finance represents a problem experienced by all types of companies, irrespective of their size. However, economic fall-out is highest when so called mid-caps don't have access to finance, since they regularly come out as the most innovative company segment in EU R&D monitoring reports. The EFSI portfolio should take their financing needs into particular account.
Amendment 10
Proposal for a regulation
Recital 11 b (new)

Text proposed by the Commission

(11b) The investments supported under EFSI should contribute to achieve existing Union programmes, policies and Union's strategy for smart sustainable and inclusive growth adopted in the conclusions of the European Council of 17 June 2010. For this purpose they should contribute to achieve objectives set out in Article 170 TFEU, Article 173 TFEU, Article 179 TFEU and Article 194(1) TFEU.

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

Text proposed by the Commission

(11c) In order to improve the coordination and integration of the Union's investment policies, Regulation 1303/2013 was established with a Common Strategic Framework ("CSF"); this integrated approach should accordingly be applied to operations and projects supported by the EFSI;

Amendment 12
Proposal for a regulation
Recital 11 d (new)

Text proposed by the Commission

(11d) The Commission Communication on the Energy Union (COM(2015)0080) has stressed the importance of energy
efficiency as an energy source in its own right and states clearly that EFSI provides an opportunity to leverage major investments in renovating buildings. Investments in energy efficiency are acknowledged to create up to 2 million jobs by 2020 and possibly another 2 million jobs by 2030. In order to ensure that the EFSI fulfils its purpose of leveraging private investments, delivering jobs, fostering resilient economic developments, and reducing macro-economic imbalances, a special focus on energy efficiency is needed. Therefore technical assistance under the EIAH has to be provided for the establishment of dedicated investment platforms for aggregated energy efficiency projects.

Amendment 13
Proposal for a regulation
Recital 11 e (new)

Text proposed by the Commission

(11e) Taking into account the need for an instant boost of the European economy, guarantees under the EFSI should only be committed by the Investment Committee to operations and projects that shall be contractually agreed and signed within three years after the commitment. If the projects or operations are not signed within three years after the commitment, the commitment has to expire. By doing so, the EFSI will focus on activities that create both an immediate impact and sustainable economic growth, while providing European added value.
Amendment 14
Proposal for a regulation
Recital 11 f (new)

Text proposed by the Commission

(11f) In order to ensure that the EFSI fulfils its purpose it is imperative that an amount of at least EUR 5 000 000 000 from the EFSI is allocated for EIB funding to the EIF to be used specifically for the benefit of Small and Medium Enterprises and small mid-cap companies.

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

Text proposed by the Commission

(11g) In order to ensure that the EFSI fulfils its purpose it is imperative that an amount of at least EUR 5 000 000 000 from the EFSI is allocated for EIB funding to the EIF to be used specifically for the benefit of Small and Medium Enterprises and small mid-cap companies as well as innovative SMEs and innovative mid-caps.

Justification

There is no need for EFSI to reinvent the wheel. Over the past couple of years, a number of innovative financial instruments to benefit SMEs and small mid-caps have been put in place under H2020 and COSME, and are currently being implemented by the EIF. They see multiplier effects between 1:18 and 1:28 and face double the amount of eligible demand for finance than they can supply. A part of the guarantee should therefore be used to top-up and complement successful existing instruments.

Amendment 16
Proposal for a regulation

PE549.399v03-00  14/65  AD\1059309EN.doc
Recital 11 h (new)

Text proposed by the Commission

(11h) The Commission Communication on the European Energy Security Strategy (COM(2014)0330) has stressed that in order to improve energy security, Member States should complete the transposition of internal energy market legislation, notably unbundling rules, including a provision that transmission system operators controlled by non-EU entities comply with the same obligations as those controlled by EU entities; however the recent experience of certain non-EU operators seeking to avoid compliance with EU legislation on EU territory requires a stricter application and a reinforcement of the applicable rules at EU and Member State level: it can be facilitated by provision that only those projects concerning gas that are carried out in gas infrastructure sectors in Member States where the effective ownership unbundling is implemented, shall be eligible for the EU guarantee.

Amendment

Justification

To improve energy security, it is essential to implement the Third Energy Liberalisation Package, especially with regard to gas market, and to ensure that gas production and supply activities are separated and the existing monopoly networks are unbundled. The recent experience of certain non-EU operators seeking to avoid compliance with EU legislation on EU territory requires a stricter application and a possible reinforcement of the applicable rules at EU and Member State level. This can be facilitated by provision that only those gas infrastructure projects that are carried out in gas infrastructure sectors in Member States where the effective ownership unbundling is implemented, shall be eligible for the EU guarantee.
Amendment 17
Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) Many small and medium enterprises, as well as mid-cap companies, across the Union require assistance to attract market financing, especially as regards investments that carry a greater degree of risk. The EFSI should help these businesses to overcome capital shortages by allowing the EIB and the European Investment Fund ('EIF') to provide direct and indirect equity injections, as well as to provide guarantees for high-quality securitisation of loans, and other products that are granted in pursuit of the aims of the EFSI.

Amendment

(12) Many small and medium enterprises, as well as small mid-cap companies, including start-ups and spin-offs, across the entire Union require assistance to attract market financing, especially as regards investments that carry a greater degree of risk. The EFSI should help these businesses to overcome capital shortages and market failures by allowing the EIB and the EIF, where relevant, to provide direct and indirect equity injections, as well as to provide guarantees for high-quality securitisation of loans, and other products that are granted in pursuit of the aims of the EFSI.

Amendment 18
Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) The EFSI should be established within the EIB in order to benefit from its experience and proven track record and in order for its operations to start to have a positive impact as quickly as possible. The work of the EFSI on providing finance to small and medium enterprises and small mid-cap companies should be channelled through the European Investment Fund ('EIF') to benefit from its experience in these activities.

Amendment

(13) The EFSI should be established within the EIB in order to benefit from its experience and proven track record and in order for its operations to start to have a positive impact as quickly as possible. The provision of EFSI funding to small and medium enterprises and small mid-cap companies, start-ups and spin-offs should be channeled through the EIF to benefit from its experience in these activities.
Amendment 19

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) The EFSI should target projects delivering high societal and economic value. In particular, the EFSI should target projects that promote job creation, long-term growth and competitiveness. The EFSI should support a wide range of financial products, including equity, debt or guarantees, to best accommodate the needs of the individual project. This wide range of products should allow the EFSI to adapt to market needs whilst encouraging private investment in the projects. The EFSI should not be a substitute for private market finance but should instead catalyse private finance by addressing market failures so as to ensure the most effective and strategic use of public money. The requirement for consistency with State aid principles should contribute to such effective and strategic use.

Amendment

(14) The EFSI should target projects delivering high social, environmental and economic added value. The EFSI should support projects that comply to the criteria and objectives set out in this Regulation, that promote sustainable high quality job creation, long-term sustainable growth and competitiveness and which help to achieve the EU’s research and development, innovation, climate and energy and digital goals. The EFSI should support a wide range of financial products, including equity, quasi-equity, debt or guarantees, to best accommodate the needs of the individual project. This wide range of products should allow the EFSI to adapt to market needs whilst encouraging private investment in the projects. The EFSI should not be a substitute for, or crowd-out, private market finance or products provided by regional and national promotional banks, but should instead catalyse private finance by addressing market failures so as to ensure the most effective and strategic use of public money. The requirement for consistency with State aid principles should contribute to such effective and strategic use.

Amendment 20

Proposal for a regulation
Recital 14 a (new)

Text proposed by the Commission

(14a) When selecting the projects eligible under EFSI support, specific attention should be given to energy efficiency; when deciding on projects for energy generation or energy transport, it should
be assessed whether the goals in terms of security of supply cannot be reached instead in a more sustainable and cost-effective way by reducing energy demand, through raising energy efficiency or through demand response; this to ensure that energy efficiency projects are competing on equal terms, including equal cost-benefit analysis terms, with projects that are aimed at increasing energy supply or developing new infrastructures;

Justification

The Communication of 25.2.2015 on the Energy Union, COM(2015) 80 ‘A Framework Strategy for a Resilient Energy Union with a Forward Looking Climate Change Policy’, stresses that it is ‘necessary to fundamentally rethink energy efficiency and treat it as an energy source in its own right, representing the value of energy saved. As part of the market design review, the Commission will ensure that energy efficiency and demand side response can compete on equal terms with generation capacity.’

Amendment 21

Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) The EFSI should target projects with a higher risk-return profile than existing EIB and Union instruments to ensure additionality over existing operations. The EFSI should finance projects across the Union, including in the countries most affected by the financial crisis. The EFSI should only be used where financing is not available from other sources on reasonable terms.

Amendment

(15) The EFSI should target projects with a higher risk-return profile than existing EIB and Union instruments to ensure additionality and complementarity over existing operations. An even higher risk profile should be accepted for research, development and innovation projects. The EFSI should finance projects across the entire Union, avoiding geographical concentration and facilitating investment in regions where capital markets are less developed, including in the countries most affected by the financial crisis and where investment in percentage of GDP has substantially declined. The EFSI should only be used where financing is not available from other sources on reasonable terms.
Amendment 22

Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

(15a) Market based incentives and the additionality provided by the EFSI should ensure that the EFSI targets socially and economically viable projects, without any regional pre-allocation, in particular to address high investment needs or market failures. For Member States where financial markets are less developed, appropriate technical assistance should be provided to ensure that the general objectives of this Regulation can be achieved. At the same time, the EFSI should be able to support environmentally sound projects and benefit industries and technologies with high growth potential.

Amendment 23

Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) The EFSI should target investments that are expected to be economically and technically viable, which may entail a degree of appropriate risk, whilst still meeting the particular requirements for EFSI financing.

Amendment

(16) The EFSI should target investments that are expected to be economically and technically viable, and bankable under conditions offered by the EFSI product portfolio, but which face barriers for market uptake. In addition, average project risk under EFSI should be higher than under any other available investment portfolio in the EU and it should target close-to market innovations where further support is needed to bridge the ‘valley-of-death’.
Amendment 24
Proposal for a regulation
Recital 16 a (new)

Text proposed by the Commission

(16a) The EFSI should be endowed with an appropriate governance structure whose function should be commensurate with the sole purposes of ensuring the appropriate use of the EU guarantee. That governance structure should be composed of a Steering Board, a Managing Director and an Investment Committee. It should not encroach upon or interfere with the decision making of the EIB, or be a substitute of the governing bodies of the latter. The Steering Board should set up the investment guidelines according to which the Investment Committee should decide on the use of the EU guarantee. These guidelines should be in addition to, but not in conflict with, those set out in this Regulation for the use of the EU guarantee. The Commission shall be empowered to adopt delegated acts concerning the investment guidelines. The Managing Director should be responsible for the daily management of the EFSI and carry out the preparatory work of the meetings of the Investment Committee.

Amendment 25
Proposal for a regulation
Recital 17

Text proposed by the Commission

(17) Decisions on the use of the EFSI support for infrastructure and large mid-cap projects should be made by an Investment Committee. The Investment Committee should be composed of independent experts who are knowledgeable and experienced in the
areas of investment projects. The Investment Committee should be accountable to a Steering Board of the EFSI, who should supervise the fulfilment of the EFSI's objectives. To effectively benefit from the experience of the EIF, the EFSI should support funding to the EIF to allow the EIF to undertake individual projects in the areas of small and medium enterprises and small mid-cap companies. The decisions made by the Investment Committee should be free from any undue interference so as to ensure its full independence, which is the key to maintain the investor trust.

Amendment 26
Proposal for a regulation
Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) For the purpose of transparency, accountability and independence of the Steering board and the Investment committee, a system of prevention of conflict of interest should be adopted and implemented.

Amendment 27
Proposal for a regulation
Recital 17 b (new)

Text proposed by the Commission

Amendment

(17b) The investment committee shall safeguard that the general investment strategy of the EIF, for the investments granted by the EU guarantee, is in compliance with the objectives and
criteria under this regulation. The daily management, project selection and follow-up, should, however, be the competence of the EIF.

Amendment 28
Proposal for a regulation
Recital 17 c (new)

Text proposed by the Commission

(17c) In order to ensure that the goals laid down in this Regulation are met and a wide geographical scope of the projects within the Union is achieved, technical assistance to Member States, where capital markets are less developed in comparison to other Member States, should be provided.

Amendment 29
Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In order to enable the EFSI to support investments, the Union should grant a guarantee of an amount equal to EUR 16 000 000 000. When provided on a portfolio basis, the guarantee coverage should be capped depending upon the type of instrument, such as debt, equity or guarantees, as a percentage of the volume of the portfolio of outstanding commitments. It is expected that when the guarantee is combined with EUR 5 000 000 000 to be provided by the EIB, that the EFSI support should generate EUR 60 800 000 000 additional investment by the EIB and EIF. This EUR 60 800 000 000 supported by the EFSI is expected to
generate a total of EUR 315 000 000 000 in investment in the Union within the period 2015 to 2017. Guarantees that are attached to projects which are completed without a call on a guarantee are available for supporting new operations.

generate a total of at least EUR 315 000 000 000 in investment in the Union within a period of three years starting from the entry into force of this Regulation. Guarantees that are attached to projects which are completed without a call on a guarantee are available for supporting new operations within the availability period of the guarantee.

Justification

With a view to the need for an immediate boost to Europe’s investment climate, signing contracts under EFSI should not be delayed. Of course, only truly eligible projects should be selected for support.

Amendment 30
Proposal for a regulation
Recital 18 a (new)

Text proposed by the Commission

(18a) On 13 January 2015, the European Commission presented a Communication on how it will apply the existing rules of the Stability and Growth Pact. National co-financing of operations supported by the EFSI, including in the transition period, are eligible to the flexibility within the existing rules of the Stability and Growth Pact, provided for by the Commission Communication of 13 January 2015, in accordance with the conditions and limits there included.

Amendment 31
Proposal for a regulation
Recital 18 b (new)

Text proposed by the Commission

(18b) In order to ensure that the EFSI fulfils its twofold purpose it is imperative that an amount equivalent to
EUR 5 000 000 000 from the EFSI is allocated for EIB funding to the EIF to be used specifically for the benefit of Small and Medium Enterprises and small mid-cap companies as well as innovative SMEs and innovative mid-caps.

Justification

In order for EFSI to be able to fulfil its twofold purpose it is important to clarify that part of the guarantee has to be reserved for access to risk finance for the benefit of SMEs and small mid-caps. Linked to AM on Article 1, Article 5.2 (e) and Article 7.

Amendment 32

Proposal for a regulation
Recital 18 c (new)

Text proposed by the Commission

Amendment

(18c) In order to ensure that the EFSI fulfils its objective it is imperative that an amount equivalent to EUR 5 000 000 000 from the EFSI is allocated for EIB funding to the EIF to be used specifically for the benefit of Small and Medium Enterprises and small mid-cap companies as well as innovative SMEs;

Amendment 33

Proposal for a regulation
Recital 19

Text proposed by the Commission

Amendment

(19) In order to allow for further increase in its resources, participation in the EFSI should be open to third parties, including Member States, national promotional banks or public agencies owned or controlled by Member States, private sector entities and entities outside the Union subject to the consent of existing

(19) In order to reach the target of EUR 315 000 000 000 within the shortest possible time, national promotional banks or institutions and investment platforms and funds, with support of the EFSI guarantee, should play a prominent role in identifying viable projects, developing and, where appropriate, bundling
contributors. Third parties may contribute directly to the EFSI and take part in the EFSI governance structure.

projects, and attracting potential investors. In that context, it should be possible to establish macro-regional platforms to promote cross-border projects or a group of projects across Member States in a regional perspective.

Amendment 34
Proposal for a regulation
Recital 20

Text proposed by the Commission

(20) At the level of projects, third parties may co-finance together with EFSI on a project-by-project basis or in investment platforms related to specific geographic or thematic sectors.

Amendment

(20) At the level of projects, third parties may co-finance together with EFSI on a project-by-project basis or in investment platforms related to specific geographic or thematic sectors. **Special attention should be given to investment platforms that focus on transformative sectors with high economic and societal added value, and investment platforms that aggregate small scale sustainable and innovative projects, notably driven by regions, cities and SMEs; for example energy efficiency projects such as the refurbishment of building stock, smart grids projects and new citizen services based on digital innovative tools.**

Amendment 35
Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) Provided that all relevant eligibility criteria are fulfilled, Member States may use European Structural Investment Funds to contribute to the financing of eligible projects that are supported by the EU guarantee. The flexibility of this approach should maximise the potential to attract investors to the areas of investment

Amendment

(21) **The EFSI should complement and be additional to ongoing regional, national and EU programmes as well as traditional EIB activities.** Provided that all relevant eligibility criteria are fulfilled, **third parties may co-finance together with EFSI on a project-by-project basis or in investment platforms related to geographic or**
targeted by the EFSI. The thematic sectors and Member States may use any type of Union financing, including European Structural Investment Funds, to contribute to the financing of eligible projects that are supported by the EU guarantee. The flexibility of this approach should maximise the potential to attract investors to the areas of investment targeted by the EFSI and to involve social partners and public authorities.

**Amendment 36**

**Proposal for a regulation**

**Recital 22**

*Text proposed by the Commission*

(22) In accordance with the Treaty on the Functioning of the European Union, Infrastructure and project investments supported under EFSI should be consistent with State aid rules. To that end, the Commission has announced that it will formulate a set of core principles, for the purpose of State aid assessments, which a project will have to meet to be eligible for support under the EFSI. If a project meets these criteria and receives support from the EFSI, the Commission has announced that any national complementary support, will be assessed under a simplified and accelerated State aid assessment whereby the only additional issue to be verified by the Commission will be the proportionality of public support (absence of overcompensation). *The Commission has also announced that it will provide further guidance on the set of core principles with a view to ensuring an efficient use of public funds.*

*Amendment*

(22) In accordance with the Treaty on the Functioning of the European Union, Infrastructure and project investments supported under EFSI should be consistent with State aid rules. To that end, the Commission has announced that it will formulate a set of core principles, for the purpose of State aid assessments, which a project will have to meet to be eligible for support under the EFSI. If a project meets these criteria and receives support from the EFSI, the Commission has announced that any national complementary support, will be assessed under a simplified and accelerated State aid assessment whereby the only additional issue to be verified by the Commission will be the proportionality of public support (absence of overcompensation). With a view to ensuring an efficient use of public funds, the Commission should provide further guidelines to guarantee full consistency with sector specific State aid rules. The requirement for consistency with state aid principles should contribute to the effective use of EFSI resources.
Amendment 37
Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) The EIB should regularly evaluate activities supported by the EFSI with a view to assessing their relevance, performance and impact and to identifying aspects that could improve future activities. Such evaluations should contribute to accountability and analysis of sustainability.

Amendment

(25) The EIB and the Commission should regularly evaluate activities supported by the EFSI with a view to assessing their relevance, performance, impact as well as their coordination and consistency with other Union policies and instruments, and to identifying aspects that could improve future activities. Such evaluations should contribute to accountability and analysis of sustainability.

Justification

Given the needs to ensure transparency and an adequate level of scrutiny by the legislator, evaluation and subsequent reporting is key to ensure a smooth implementation of the EFSI.

Amendment 38
Proposal for a regulation
Recital 26

Text proposed by the Commission

(26) Alongside the financing operations that will be conducted through the EFSI, a European Investment Advisory Hub (‘EIAH’) should be created. The EIAH should provide strengthened support for project development and preparation across the Union, by building on the expertise of the Commission, the EIB, national promotional banks and the managing authorities of the European Structural and Investment Funds. This should establish a single point of entry for questions related to technical assistance for investments within the Union.

Amendment

(26) Alongside the financing operations that will be conducted through the EFSI, a European Investment Advisory Hub (‘EIAH’) should be created. The EIAH should provide strengthened support for project development, preparation and aggregation across the Union, by building on the expertise of the Commission, the EIB, national promotional banks, the managing authorities of the European Structural and Investment Funds and best practices from projects such as ELENA (European Local Energy Assistance), InnovFin (EU Finance for Innovators) and the EEIF (European Energy Efficiency Fund). This should establish a
single point of entry for questions related to technical assistance for investments within the Union where possible providing technical assistance on a decentralised basis. The setting up of the EIAH as a single entry point and the new services provided by it shall in no way alter the objective of existing technical assistance programmes or affect the quality or capacity of these in carrying out their dedicated tasks.

Amendment 39
Proposal for a regulation
Recital 26 a (new)

Text proposed by the Commission

(26a) The EIAH shall especially build upon the good practices in existing programmes, such as ELENA, EEIF, JEREMIE (Joint European Resources for Micro to Medium Enterprises), JASPERS (Joint Assistance to Support Projects in European Regions), JESSICA (Joint European Support for Sustainable Investment in City Areas) and JASMINE (Joint Action to Support Micro-finance Institutions in Europe); The EIAH shall, when relevant, redirect project promoters to these entities and channel the delivery of technical assistance through them.

Amendment 40
Proposal for a regulation
Recital 27

(27) In order to cover the risks related to the EU guarantee to the EIB, a guarantee fund should be established. The guarantee fund should be constituted by a gradual
payment from the Union budget. The guarantee fund should subsequently also receive revenues and repayments from projects that benefit from EFSI support and amounts recovered from defaulting debtors where the guarantee fund has already honoured the guarantee to the EIB.

Any remuneration that arises from EFSI operations which surmounts the target amount/needs of the guarantee fund shall be transferred to the respective EU budget lines which were reduced in order to establish the EFSI guarantee fund.

Justification

Surplus reflows and revenues that exceed the target amount of the EU guarantee should be re-entered into the general budget of the Union and reassigned to the budget lines that initially contributed to the guarantee fund.

Amendment 41

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) To partially finance the contribution from the Union budget, the available envelopes of the Horizon 2020 – the Framework Programme for Research and Innovation 2014-2020, provided by Regulation (EU) No 1291/2013 of the European Parliament and of the Council\(^2\), and the Connecting Europe Facility, provided by Regulation (EU) No 1316/2013 of the European Parliament and of the Council\(^3\), should be reduced. Those programmes serve purposes that are not replicated by the EFSI. However, the reduction of both programmes to finance the guarantee fund is expected to ensure a greater investment in certain areas of their respective mandates than is possible through the existing programmes. The EFSI should be able to leverage the EU guarantee to multiply the payment from the Union budget. The guarantee fund should subsequently also receive revenues and repayments from projects that benefit from EFSI support and amounts recovered from defaulting debtors where the guarantee fund has already honoured the guarantee to the EIB.

Amendment

(29) The contribution from the Union budget to the EU budget Guarantee Fund will be progressively authorised by the European Parliament and the Council in the framework of the annual budgetary procedures up to 2020. For this purpose, the budgetary authority should make use, where appropriate, of all available mechanisms of flexibility and relevant provisions under the 2014-2020 MFF Regulation ensuring a maximum linearity and securing the functioning and viability of the funding according to the budget provided for in the MFF of the multiannual commitments characterising some current EU programmes such as Horizon 2020 and Connecting Europe Facility. The financing of the Guarantee Fund, should be revised in the frame of the mid-term review of the Multiannual
financial effect within those areas of research, development and innovation and transport, telecommunications and energy infrastructure compared to if the resources had been spent via grants within the planned Horizon 2020 and Connecting Europe Facility programmes. It is, therefore, appropriate to redirect part of the funding presently envisaged for those programmes to the benefit of EFSI.


Amendment 42

Proposal for a regulation
Recital 32 a (new)

Text proposed by the Commission

(32a) Member States should be able to participate in the creation of the European investment directory including by providing information on investment projects in their territory to the Commission and the EIB. Before launching the directory, the Commission
and the EIB should carry out appropriate consultations with Member States, experts and stakeholders, regarding the principles and guidelines for projects to be listed in the directory, and regarding the template for publishing information about individual projects.

Amendment 43

Proposal for a regulation
Recital 34

Text proposed by the Commission

(34) To ensure accountability to European citizens, the EIB should regularly report to the European Parliament and the Council on the progress and impact of the EFSI.

Amendment

(34) To ensure accountability to European citizens, from the entry into force of this Regulation, the Commission should submit to the European Parliament and to the Council annual report containing an evaluation of the use of the EU guarantee and of the fulfilment of the general objectives and criteria laid down in this Regulation, including the mobilisation of private capital, the additionality and the economic and societal added value. If appropriate, the report should be accompanied by a proposal to the European Parliament and to the Council to amend this Regulation. The EIB in cooperation with the EIF, should report semi-annually to the European Commission, to the European Parliament and to the Council on EIB and EIF financing and investment operations, including which projects have been financed, the financial instruments used and the state of implementation of funded projects and losses incurred under EFSI. In case of failed projects, the Report shall include a thorough analysis of the situation, highlighting possible repercussion on the Guarantee fund.
Amendment 44

Proposal for a regulation
Recital 36

Text proposed by the Commission

(36) Since the objectives of this Regulation, namely to support investments in the Union and to ensure increased access to financing for companies having up to 3000 employees, cannot be sufficiently achieved by the Member States by reason of the disparities in their fiscal capacity to act but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

Amendment

(36) Since the objectives of this Regulation, namely to support investments in the Union and to ensure increased access to financing for companies having up to 3000 employees cannot be sufficiently achieved by the Member States alone but can rather, by reason of its scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

Amendment 45

Proposal for a regulation
Recital 36 a (new)

Text proposed by the Commission

(36a) The Commission and the EIB should conclude an Agreement that specifies the conditions laid down in this Regulation for their management of the EFSI. That Agreement should not encroach upon the competences of the Union legislator, of the budgetary authority, and of the EIB, as laid down in the Treaties and should, therefore, be confined to elements which are mainly technical and administrative in nature and which, whilst not being essential, are necessary for the effective implementation of the EFSI. This Agreement, together
with the Investment Guidelines, should be adopted by the Commission by means of a delegated act.

**Justification**

The EFSI agreements should be of a solely administrative nature, leaving crucial elements of the initiative to the legislator. The agreement should implement these decisions. The EFSI agreement should be adopted through a delegated act to allow adequate scrutiny of the legislator.

### Amendment 46

**Proposal for a regulation**

**Article 1**

**Text proposed by the Commission**

1. *The Commission shall conclude an agreement with the European Investment Bank (EIB) on the establishment of a European Fund for Strategic Investments (‘EFSI’).*

**Amendment**

1. *This Regulation establishes a European Fund for Strategic Investments (EFSI), an EU guarantee and an EU guarantee fund.*

2. *To that effect, this Regulation provides for the Commission to negotiate a draft agreement with the European Investment Bank (EIB) for the management of the European Fund for Strategic Investments (‘EFSI’). This agreement shall solely contain technical and administrative elements, and shall be in full compliance with the requirements set-out in this Regulation.*

3. *The Commission shall be empowered to enter into the EFSI Agreement on behalf of the Union, and to accept later amendments to it, by means of a delegated act in accordance with Article 17, provided that the EFSI Agreement meets the requirements of this Regulation.*

4. *The purpose of the EFSI shall be to support investments in the Union and to ensure increased access to financing for companies having up to 3000 employees, with a particular focus on small and medium enterprises, through the supply of...*
risk bearing capacity to the EIB (‘EFSI Agreement’).

capacity to the EIB the EFSI shall:

- support long term, productive and strategic investments;
- ensure increased access to financing for companies having up to 3000 employees, with a particular focus on start-ups, micro-enterprises, small, and medium-sized enterprises.

2. The EFSI Agreement shall be open to accession by Member States. Subject to the consent of existing contributors, the EFSI Agreement shall also be open to accession by other third parties, including national promotional banks or public agencies owned or controlled by Member States, and private sector entities.

5. The EFSI Agreement shall be open to accession by Member States under the terms laid out in the EFSI Agreement. Subject to the consent of existing contributors, the EFSI Agreement shall also be open to accession by other third parties, including national promotional banks or public agencies owned or controlled by Member States, and private sector entities.

6. Guarantees under this Regulation shall only be committed by the Investment Committee to operations and projects that shall be contractually agreed and signed within three years after the commitment. If the operations and projects are not signed within three years after the commitment, the commitment has to expire.

Amendment 47

Proposal for a regulation
Article 1 a (new)

Text proposed by the Commission

Amendment

Article 1a

Definitions

For the purposes of this Regulation the following definitions apply:

(a) 'national promotional banks' or 'national promotional institutions' means legal entities carrying out financial activities on a professional basis which are conferred a mandate by a Member State.
State, whether at central, regional or local level, to carry out public development or promotional activities seeking to address market failures or sub-optimal investment situations;

(b) 'investment platforms' means special purpose vehicles, managed accounts, contract-based co-financing or risk sharing arrangements or arrangements established by any other means via which entities channel a financial contribution in order to finance a number of investment projects in the Union;

(c) 'small and medium-sized enterprises' or 'SMEs' means micro, small and medium-sized enterprises as defined in Recommendation 2003/361/EC.

(d) 'small mid-cap companies' means legal entities having up to 499 employees as defined by Commission Guidelines C(2014) 34/2; 1a

(g) 'additionality' means the support by the EFSI of operations which address market failures, investment gaps or sub-optimal investment situations and which could not have been carried out without EFSI support during that period, or to the same extent, or under reasonable conditions, through normal EIB instruments, through the EIF, through EU Instruments or through instruments offered by regional promotional banks, national promotional banks and commercial banks. Consequently, the EU guarantee can be combined with, or can be used to complement, accelerate or strengthen existing EU financial instruments.

(h) 'EFSI Agreement' means the legal instrument whereby the Commission and the EIB specify the conditions laid down in this Regulation for the management of the EFSI.

(i) 'EIAH Agreement' means the legal instrument whereby the Commission and
the EIB specify the conditions laid down in this Regulation for the implementation of EIAH.

16 Guidelines on State aid to promote risk finance investments

Amendment 48
Proposal for a regulation
Article 2 – paragraph 1 – subparagraph 1 – point a

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) provisions governing the establishment of the EFSI as a distinct, clearly identifiable and transparent guarantee facility and separate account managed by the EIB;</td>
<td>(a) arrangements concerning the establishment of the EFSI as well as the amount and terms of the financial contribution to be provided by the EIB, including the terms of the funding or guarantees which shall be provided by the EIB through the EFSI to the European Investment Fund ('EIF') which shall be at least EUR 5 000 000 000.</td>
</tr>
</tbody>
</table>

Amendment 49
Proposal for a regulation
Article 2 – paragraph 1 – subparagraph 1 – point c

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c) the terms of the funding which shall be provided by the EIB through the EFSI to the European Investment Fund ('EIF');</td>
<td>(c) The arrangements concerning the EU guarantee, that shall be an unconditional, irrevocable, first demand guarantee in favour of the EIB, including:</td>
</tr>
<tr>
<td></td>
<td>(i) detailed rules on the provision of the EU guarantee, in accordance with Article 7, among which its modalities of coverage, its defined coverage of portfolios of specific types of instruments;</td>
</tr>
<tr>
<td></td>
<td>(ii) requirements that remuneration for risk-taking be allocated amongst contributors in proportion with their</td>
</tr>
</tbody>
</table>
respective risk share in risk taking;

(iii) requirements that remuneration to the Union and payments on the EU guarantee shall be made in timely manner and only occur once a year after remuneration and losses from operations have been netted;

(iv) requirements governing the use of the EU guarantee in accordance with Article 5, among which payment conditions, such as specific time frames, interest on due amounts and the necessary liquidity arrangements;

(v) provisions and procedures relating to recovery of claims that shall be entrusted to the EIB, in line with Article 7(4);

Justification

The EFSI agreements should be of a solely administrative nature, leaving crucial elements of the initiative to the legislator. Therefore relevant provisions should be part of the regulation rather than the EFSI agreement. Detailed provisions have been put in place accordingly.

Amendment 50

Proposal for a regulation
Article 2 – paragraph 1 – subparagraph 1 – point d

Text proposed by the Commission  
(d) the governance arrangements concerning the EFSI, in accordance with Article 3, without prejudice to the Statute of the European Investment Bank;

Amendment  
(d) The modalities for the approval by the Investment Committee of the use of the EU guarantee for individual projects in line with this Regulation and in particular with Article 2a;

Justification

The EFSI agreements should be of a solely administrative nature, leaving crucial elements of the initiative to the legislator. Therefore relevant provisions should be part of the regulation rather than the EFSI agreement. Detailed provisions have been put in place accordingly.
Amendment 51

Proposal for a regulation
Article 2 – paragraph 1 – subparagraph 1 – point e

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(c) detailed rules on the provision of the EU guarantee, in accordance with Article 7, including its capped coverage of portfolios of specific types of instruments, calls on the EU guarantee, that – with the exception of possible losses on equity - shall only occur once a year after profits and losses from operations have been netted, and its remuneration and the requirement that remuneration for risk-taking be allocated amongst contributors in proportion with their respective risk share;</td>
<td>(c) The procedures for the submission of investment proposals and approval of proposals for the use of the EU guarantee, including:</td>
</tr>
<tr>
<td>(i) the procedure for the transmission to the Investment Committee of projects; (ii) the requirement that the procedure for submission and approval of proposals for the use of the EU guarantee is without prejudice to the EIB decision making rules laid down under the Statute of the European Investment Bank; (iii) rules further detailing the transitional provisions under Article 20, and in particular the manner how operations signed by the EIB during the period referred to in Article 20 will be included under the EU guarantee coverage.</td>
<td></td>
</tr>
</tbody>
</table>

Justification

The EFSI agreements should be of a solely administrative nature, leaving crucial elements of the initiative to the legislator. Therefore relevant provisions should be part of the regulation rather than the EFSI agreement. Detailed provisions have been put in place accordingly.

Amendment 52

Proposal for a regulation
Article 2 – paragraph 1 – subparagraph 1 – point f
Text proposed by the Commission

(f) provisions and procedures relating to recovery of claims;

Amendment

(f) The procedures for the submission of investment proposals and approval of proposals for the use of the EU guarantee, including:

(i) the procedure for the transmission to the Investment Committee of projects;

(ii) the requirement that the procedure for submission and approval of proposals for the use of the EU guarantee is without prejudice to the EIB decision making rules laid down under the Statute of the European Investment Bank;

(iii) rules further detailing the transitional provisions under Article 20, and in particular the manner how operations signed by the EIB during the period referred to in Article 20 will be included under the EU guarantee coverage.

Justification

The EFSI agreements should be of a solely administrative nature, leaving crucial elements of the initiative to the legislator. Therefore relevant provisions should be part of the regulation rather than the EFSI agreement. Detailed provisions have been put in place accordingly.

Amendment 53

Proposal for a regulation

Article 2 – paragraph 1 – subparagraph 1 – point g

Text proposed by the Commission

(g) requirements governing the use of the EU guarantee, including specific time frames and key performance indicators;

Amendment

(g) requirements governing the use of the EU guarantee, such as the compliance with the objectives and criteria set out in Article 5.2, as well as specific time frames and key performance indicators, including job creation and SME participation.

Amendment 54

Proposal for a regulation
Article 2 – paragraph 1 – subparagraph 1 – point j

Text proposed by the Commission

(j) the modalities of the EU guarantee coverage.

Amendment

deleted

Justification

Detailed provisions covering this aspect have been inserted above.

Amendment 55

Proposal for a regulation

Article 2 – paragraph 1 – subparagraph 1 – point j a (new)

Text proposed by the Commission

(ja) any other conditions of an administrative or organisational nature necessary for the management of the EFSI.

Amendment

Proposal for a regulation

Article 2 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The EFSI Agreement shall provide that there is a clear distinction between operations carried out with the EFSI support and other operations of the EIB.

Amendment

The EFSI Agreement shall provide that there is a clear distinction between operations carried out with the EFSI support and other operations of the EIB. However, the investment guidelines and criteria adopted by the EIB on 23 July 2013 shall apply.
The EFSI Agreement shall provide for the creation of a European Investment Advisory Hub ('EIAH') within the EIB. The EIAH shall **have as its objective to build upon existing EIB and Commission advisory services in order to provide** advisory support for investment **project identification, preparation and development and act as a single technical advisory hub for project financing within the Union. This shall include** support on the use of technical assistance for project structuring, use of innovative financial instruments, use of public-private partnerships and advice, as appropriate, on relevant issues of EU legislation.

The EFSI Agreement shall provide for the creation of a European Investment Advisory Hub ('EIAH') within the EIB, **which shall deliver** advisory support for investment **projects in line with the objectives and criteria set out in Article 5(2) of this Regulation.**

The EIAH shall **build upon existing EIB and Commission advisory services, where possible in a decentralised way, and shall:**

(a) **act as a technical advisory hub and provide support for investment project identification, preparation and development; as well as provide** support on the use of technical assistance for project structuring, innovative financial instruments, public-private partnerships and advice, as appropriate, on relevant issues of EU legislation, **taking into account differences of Member States, especially for those with less developed capital markets;**

(b) give special support to investment **platforms that focus on sectors with high economic and societal added value or that aggregate smaller projects, notably driven by regions, cities and SMEs, into larger bankable projects; award particular focus to information and support of innovative entrepreneurs;**
(c) create a specific facility for technical assistance for the establishment of investment platforms for aggregated energy efficiency projects at decentralized level;

(d) provide technical and financial support on the use of EFSI to decentralized institutions that implement similar technical assistance schemes at local level; leverage local knowledge to facilitate EFSI support in the whole Union;

(e) act as a single point of contact for authorities and project promoters or redirect them to the institutions mentioned in point 4;

(f) provide for a structural exchange of information and best practices between all the stakeholders involved in the EFSI, namely on project development.

(g) provide decentralised technical assistance platforms for supporting development of SMEs, including start-ups and spin-offs, and their collaboration with universities and research organisations.

Amendment 58

Proposal for a regulation
Article 2 – paragraph 2 – subparagraph 2

Text proposed by the Commission
To meet that objective, the EIAH shall use the expertise of the EIB, the Commission, national promotional banks and the managing authorities of the European Structural and Investment Funds.

Amendment
To meet that objective, the EIAH shall use the expertise of the EIB, the Commission, national promotional banks and the managing authorities of the European Structural and Investment Funds. The EIAH shall especially build upon the good practices from existing technical assistance programmes.

Amendment 59

Proposal for a regulation
### Article 2 – paragraph 3 – subparagraph 1 a (new)

**Text proposed by the Commission**

National contributions to the EFSI shall follow the same rules as other public spending and investing, must be a priority of budget policy and not undermine the rules of the stability pact.

### Amendment 60

**Proposal for a regulation**
**Article 3**

**Text proposed by the Commission**

1. The EFSI Agreement shall provide that the EFSI shall be governed by a Steering Board, which shall determine the strategic orientation, the strategic asset allocation and operating policies and procedures, including the investment policy of projects that EFSI can support and the risk profile of the EFSI, in conformity with the objectives under Article 5(2). The Steering Board shall elect one of its members to be Chairperson.

2. For as long as the only contributors to the EFSI are the Union and the EIB, the number of members and votes within the Steering Board shall be allocated based on the respective size of contributions in the form of cash or guarantees.

The Steering Board shall take decisions by consensus.

3. When other parties accede to the EFSI Agreement in accordance with Article 1(2), the number of members and votes within the Steering Board shall be allocated based

**Amendment**

1. The EFSI Agreement shall provide that the EFSI shall be governed by a Steering Board. **The Steering Board** shall determine the strategic orientation, the strategic asset allocation and operating policies and procedures, including the investment policy of projects that EFSI can support and the risk profile of the EFSI, in conformity with this Regulation and set up investment guidelines in addition to but not in conflict with those of Article 5(2) for the use of the EU guarantee to be implemented by the Investment Committee. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 concerning the investment guidelines.

2. For as long as the only contributors to the EFSI are the Union and the EIB, the number of members and votes within the Steering Board shall be allocated based on the respective size of contributions in the form of cash or guarantees.

The Steering Board shall take decisions by consensus.

3. When other parties accede to the EFSI Agreement in accordance with Article 1(2), the number of members and votes within the Steering Board shall be allocated based
on the respective size of contributions from contributors in the form of cash or guarantees. The number of members and votes of the Commission and the EIB, according to paragraph 2, shall be recalculated accordingly.

The Steering Board shall strive to make decisions by consensus. If the Steering Board is not able to decide by consensus within a deadline set by the Chairperson, the Steering Board shall take a decision by simple majority.

No decision of the Steering Board shall be adopted if the Commission or the EIB votes against it.

4 The EFSI Agreement shall provide that the EFSI shall have a Managing Director, who shall 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 5. The Managing Director shall be assisted by a Deputy Managing Director.

The Managing Director shall report every quarter on the activities of the EFSI to the Steering Board.

The Managing Director and the Deputy Managing Director shall be appointed by the Steering Board on a joint proposal of the Commission and the EIB for a renewable fixed term of three years.

5. The EFSI Agreement shall provide that the EFSI shall have an Investment Committee, which shall be responsible for examining potential operations in line with the EFSI investment policies and approving the support of the EU guarantee for operations in line with Article 5, irrespective of their geographic location.

The Investment Committee shall be composed of six independent experts and the Managing Director. Independent experts shall have a high level of relevant expertise.

Nos decisionsof the SteeringsBoardsallsbe adopted if the CommissionsorsthesEIBsvotessagainstsit.

4 The EFSI Agreement shall provide that the EFSI shall have a Managing Director, who shall 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 5. The Managing Director shall be assisted by a Deputy Managing Director.

The Managing Director shall report every quarter on the activities of the EFSI to the Steering Board.

The Managing Director and the Deputy Managing Director shall be appointed by the Steering Board on a joint proposal of the Commission and the EIB for a renewable fixed term of three years.

5. The EFSI Agreement shall provide that the EFSI shall have an Investment Committee, which shall be responsible for examining potential operations that are fully in line with objectives and criteria established in Article 5 of this Regulation and irrespective of their geographic location.

The Investment Committee shall be composed of at least six independent experts and the Managing Director. In appointing the experts to the Investment
Committee, the Steering Board shall ensure that the composition of the Investment Committee is diversified and that these experts have a high level of relevant market experience in project structuring and project financing in the areas of investment projects as listed in Article 5.2.

The Investment Committee shall be appointed by the Steering Board for a renewable fixed term of up to three years. The experts shall be appointed in an open and transparent selection procedure.

Decisions of the Investment Committee shall be taken by simple majority.

Amendment 61

Proposal for a regulation
Article 4

Text proposed by the Commission

The Union shall provide a guarantee to the EIB for financing or investment operations carried out within the Union covered by this Regulation ('EU guarantee'). The EU guarantee shall be granted as a guarantee on demand in respect of instruments referred to in Article 6.

Amendment

The Union shall provide an irrevocable, and unconditional guarantee for financing or investment operations carried out within the Union, covered by this Regulation ('EU guarantee'). The EU guarantee shall be granted as a guarantee on demand in respect of instruments referred to in Article 6.

Amendment 62

Proposal for a regulation
Article 5 – paragraph 2

Text proposed by the Commission

The EU guarantee shall be granted for EIB financing and investment operations approved by the Investment Committee referred to in Article 3(5) or funding to the EIF in order to conduct EIB financing and investment operations in accordance with Article 7(2). The operations concerned shall be consistent with Union policies and

Amendment

The EU guarantee shall be granted for EIB financing and investment operations approved by the Investment Committee referred to in Article 3(5) or for funding to the EIF in accordance with Article 7(2) in order to conduct EIB financing and investment operations approved by that Investment Committee. The operations
support any of the following general objectives:

(a) development of infrastructure, including in the areas of transport, particularly in industrial centres; energy, in particular energy interconnections; and digital infrastructure;

(b) investment in education and training, health, research and development, information and communications technology and innovation;

(c) expansion of renewable energy and energy and resource efficiency;

(d) infrastructure projects in the environmental, natural resources, urban development and social fields;

(e) providing financial support for the companies referred to in Article 1(1), including working capital risk financing.

concerned shall be consistent with Union policies and shall support one or more of the following general objectives:

(a) development of transport infrastructure, particularly in industrial centres;

(b) development and modernisation of energy infrastructure in accordance with the Energy Union priorities and the 2020, 2030 and 2050 Climate and Energy frameworks, in particular interconnections, smart grids at distribution level, energy storage and the synchronisation of markets;

(c) expansion of renewable energy, resource efficiency, energy efficiency and energy savings, with a particular focus on reducing demand through demand-side management and the refurbishment of buildings;

(d) development of information and communication technologies, of digital and telecom infrastructures and of broadband networks across the entire Union;

(e) investment in innovation, research and development, including research infrastructure, pilot and demonstration projects, collaborations between the academia and industry, and knowledge and technology transfer;

(f) investment in education, training, entrepreneurial skills;

(g) investment in innovative health solutions, such as eHealth and new effective medicines, and in the social sector;

(h) investment in the cultural and creative industries;

(i) investment in projects and infrastructure in the field of environmental protection and
In addition, the EU guarantee shall be granted for support of dedicated investment platforms and national promotional banks, via the EIB, that invest in operations meeting the requirements of this Regulation. In that case, the Steering Board shall specify policies regarding eligible investment platforms.

The EFSI shall support only projects and operations that:

(a) are consistent with Union policies and create smart, sustainable and inclusive growth; that comply with the objectives of Article 9 and that are in line with Article 10 and Annex I of Regulation (EU) No 1303/2013;

(b) are economically and technically viable;

(c) ensure additionality;

(d) maximise the mobilisation of private sector capital;

(e) have a net societal benefit, including the creation of sustainable jobs, taking into account the costs and benefits of the project throughout its expected lifetime;

In addition, the EU guarantee shall be granted, through the EIB, for financing and investment operations conducted by dedicated investment platforms and national promotional banks, after approval by the Investment Committee referred to in Article 3(5). The operations concerned shall be consistent with Union policies and shall comply with the eligibility criteria laid down in Article 5(2). The Steering Board shall specify policies regarding eligible investment platforms.
Amendment 63
Proposal for a regulation
Article 5 – paragraph 2 a (new)

Text proposed by the Commission

2a. The EFSI shall offer privileged access to guarantees for small projects and small actors, following a de-risking strategy. Such guarantees shall be granted inter alia for the establishment of:

(a) a dedicated Energy Efficiency Fund covering an amount of guarantees of at least EUR 5 000 000 000 notably to support projects promoted by cities and local governments;

(b) a dedicated SME Fund covering an amount of at least EUR 5 000 000 000 which shall be implemented by the EIF, as defined in Article 7.

Amendment 64
Proposal for a regulation
Article 5 – paragraph 2 b (new)

Text proposed by the Commission

2b. Investments shall comply with the investment guidelines and criteria adopted by the EIB on 23 July 2013.

Amendment 65
Proposal for a regulation
Article 5 – paragraph 4

Text proposed by the Commission

4. Provided that all relevant eligibility
criteria are fulfilled, Member States may use European Structural and Investment Funds to contribute to the financing of eligible projects in which the EIB is investing with the support of the EU guarantee.

criteria are fulfilled, Member States may use any type of Union financing, including European Structural and Investment Funds to contribute to the financing of eligible projects in which the EIB is investing with the support of the EU guarantee.

Justification

It should be made clear that any type of Union financing can be used to co-finance operations and projects backed by the EU guarantee, not only the financing made available by the European Structural and Investment Funds.

Amendment 66

Proposal for a regulation
Article 5 – paragraph 4 a (new)

Text proposed by the Commission

4a. The Commission, the EIB and the Member States shall ensure that all the investments with the support of the EFSI take into consideration their impact by sector at local and regional level on economic, social and territorial cohesion, increasing demand without affecting supply, and foster synergies and effective coordination between the EFSI and the European Structural and Investment Funds, in order to ensure that they contribute to the achievement of the Union’s economic, social and territorial cohesion and to reduce unemployment.

Amendment

4a. The Commission, the EIB and the Member States shall ensure that all the investments with the support of the EFSI take into consideration their impact by sector at local and regional level on economic, social and territorial cohesion, increasing demand without affecting supply, and foster synergies and effective coordination between the EFSI and the European Structural and Investment Funds, in order to ensure that they contribute to the achievement of the Union’s economic, social and territorial cohesion and to reduce unemployment.

Amendment 67

Proposal for a regulation
Article 6 – paragraph 2 – point a

Text proposed by the Commission

(a) EIB loans, guarantees, counter-guarantees, capital market instruments, any

Amendment

(a) EIB loans, guarantees, counter-guarantees, capital market instruments, any
other form of funding or credit enhancement instrument, equity or quasi-equity participations. These Instruments shall be granted, acquired or issued for the benefit of operations carried out in the Union, including cross-border operations between a Member State and a third country, in compliance with this Regulation and where EIB financing has been granted in accordance with a signed agreement which has neither expired nor been cancelled;

other form of funding or credit enhancement instrument, equity or quasi-equity participations, including through national promotional banks or institutions or investment platforms. These Instruments shall be granted, acquired or issued for the benefit of operations carried out in the Union, including cross-border operations between a Member State and a third country, in compliance with this Regulation and where EIB financing has been granted in accordance with a signed agreement which has neither expired nor been cancelled;

Amendment 68

Proposal for a regulation
Article 6 – paragraph 2 – point b

Text proposed by the Commission

(b) EIB funding to the EIF enabling it to undertake loans, guarantees, counter-guarantees, any other form of credit enhancement instrument, capital market instruments and equity or quasi-equity participations. These Instruments shall be granted, acquired or issued for the benefit of operations carried out in the Union, in compliance with this Regulation and where EIF financing has been granted in accordance with a signed agreement which has neither expired nor been cancelled.

Amendment

(b) EIB funding to the EIF enabling it to undertake loans, guarantees, counter-guarantees, any other form of credit enhancement instrument, capital market instruments and equity or quasi-equity participations, including through national promotional banks or institutions or investment platforms. These Instruments shall be granted, acquired or issued for the benefit of operations carried out in the Union, in compliance with this Regulation and where EIF financing has been granted in accordance with a signed agreement which has neither expired nor been cancelled.

Amendment 69

Proposal for a regulation
Article 7

Text proposed by the Commission

1. The EU guarantee to the EIB shall be of

Amendment

1. The EU guarantee to the EIB shall be of
an amount equal to EUR 16 000 000 000, of which a maximum amount of EUR 2 500 000 000 may be allocated for EIB funding to the EIF in accordance with paragraph 2. Without prejudice to Article 8(9), aggregate payments from the Union under the guarantee to the EIB shall not exceed the amount of the guarantee.

2. The coverage of the guarantee over a particular type of instrument portfolio, referred to in Article 6, shall be determined by the risk of that portfolio. The EU guarantee shall be eligible to provide either first loss guarantees on a portfolio basis or a full guarantee. The EU guarantee may be granted on a pari passu basis with other contributors.

Where the EIB provides funding to the EIF in order to conduct EIB financing and investment operations, the EU guarantee shall provide for a full guarantee on funding by the EIB provided that an equal amount of funding is provided by the EIB without EU guarantee. The amount covered by the EU guarantee shall not be at least EUR 5 000 000 000. This funding...
exceed EUR 2 500 000 000.

3. Where the EIB calls the EU guarantee in accordance with the EFSI Agreement, the Union shall pay on demand in accordance with the terms of that Agreement.

4. Where the Union makes any payment under the EU guarantee, the EIB shall pursue the recovery of claims for the amounts paid and reimburse the Union from the sums recovered.

Amendment 70

Proposal for a regulation
Article 8

Text proposed by the Commission

1. An EU guarantee fund (‘guarantee fund’) shall be established from which the EIB may be paid in the event of a call on the EU guarantee.

2. The guarantee fund shall be endowed by:
   
   (a) payments from the general budget of the Union,
   
   (b) returns on guarantee fund resources invested,
   
   (c) amounts recovered from defaulting debtors in accordance with the recovery procedure laid down in the EFSI Agreement as provided for in Article 2(1)(f),
   
   (d) any other payments received by the Union in accordance with the EFSI Agreement.

3. Endowments to the guarantee fund provided for in points (c) and (d) of paragraph 2 shall constitute internal assigned revenues in accordance with Article 21(4) of Regulation (EU) No

shall be used to support SMEs, start-ups, spin-offs and small mid-caps.

3. Where the EIB calls the EU guarantee in accordance with the EFSI Agreement, the Union shall pay on demand in accordance with the terms of that Agreement.

4. Where the Union makes any payment under the EU guarantee, the EIB shall pursue the recovery of claims for the amounts paid and reimburse the Union from the sums recovered.

Amendment

1. An EU guarantee fund (‘guarantee fund’) shall be established which shall constitute a liquidity cushion from which the EIB shall be paid in the event of a call on the EU guarantee.

2. The guarantee fund shall be endowed by:
   
   (a) contributions from the general budget of the Union;
   
   (b) returns on guarantee fund resources invested;
   
   (c) amounts recovered from defaulting debtors in accordance with the recovery procedure laid down in the EFSI Agreement as provided for in point (f) of Article 2(1);
   
   (d) revenues and any other payments received by the Union in accordance with the EFSI Agreement.

3. Endowments to the guarantee fund provided for in points (b), (c) and (d) of paragraph 2 shall constitute internal assigned revenues in accordance with Article 21(4) of Regulation (EU) No
4. The resources of the guarantee fund provided to it under paragraph 2 shall be directly managed by the Commission and invested in accordance with the principle of sound financial management and follow appropriate prudential rules.

5. Endowments to the guarantee fund referred to in paragraph 2 shall be used to reach an appropriate level to reflect the total EU guarantee obligations ('target amount'). The target amount shall be set at 50% of the Union's total guarantee obligations.

The target amount shall initially be met by the gradual payment of resources referred to in paragraph 2(a). If there have been calls on the guarantee during the initial constitution of the guarantee fund, endowments to the guarantee fund provided for in points (b), (c) and (d) of paragraph 2 shall also contribute to meet the target amount up to an amount equal to the calls on the guarantee.

5a. The necessary appropriations to meet the initial target amount shall be gradually authorised by the European Parliament and the Council in the framework of the annual budgetary procedure, taking due account of all means available under the Council Regulation No 1311/2013 of 2 December 2013 laying down the Multiannual Financial Framework (MFF) 2014-2020, with particular recourse to the Global Margin for Commitments and the Flexibility Instrument.

The financing of the guarantee fund, both in respect of commitment and payment appropriations, shall be reviewed by the European Parliament and the Council in the context of the post-electoral review / revision of the Multiannual Financial Framework 2014-2020, to be launched by the end of 2016 at the latest, as foreseen in Article 2 of Council Regulation (EU,
6. By 31 December 2018, and every year thereafter, the Commission shall review the adequacy of the level of the guarantee fund taking into account any reduction of resources resulting from the activation of the guarantee and the EIB's assessment submitted in accordance with Article 10(3).

The Commission shall be empowered to adopt delegated acts in accordance with Article 17 adjusting the target amount provided for in paragraph 5 by a maximum of 10% to better reflect the potential risk of the EU guarantee being called.

7. Following an adjustment in year n of the target amount or an assessment on the adequacy of the level of the guarantee fund in accordance with the review provided for in paragraph 6:

(e) any surplus shall be paid in one transaction to a special heading in the statement of revenue in the general budget of the European Union of the year n+1,

(f) any replenishment of the guarantee fund shall be paid in annual tranches during a maximum period of three years starting on year n+1.

8. **From 1 January 2019**, if as a result of calls on the guarantee, the level of the guarantee fund falls below 50% of the target amount, the Commission shall submit a report on exceptional measures

**Euratom** No 1311/2013.

In the event that redeployments from EU programmes were agreed in the framework of the annual budgetary procedure as source of financing for the EU guarantee in the years preceding the MFF review/revision, the European Parliament and the Council shall restore their initial budgets.

6. By 31 December 2018, and every year thereafter, the Commission shall review the adequacy of the level of the guarantee fund taking into account any reduction of resources resulting from the activation of the guarantee and the EIB's assessment submitted in accordance with Article 10(3).

The Commission shall be empowered to adopt delegated acts in accordance with Article 17 adjusting the target amount provided for in paragraph 5 by a maximum of 10% to better reflect the potential risk of the EU guarantee being called.

7. Following an adjustment in year n of the target amount or an assessment on the adequacy of the level of the guarantee fund in accordance with the review provided for in paragraph 6:

(a) any surplus in the guarantee fund shall constitute internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012 for any lines which may have been used as a source of redeployment to the EFSI guarantee fund,

(b) any replenishment of the guarantee fund shall be paid in annual tranches during a maximum period of three years starting on year n+1.

8. If as a result of calls on the guarantee, the resources of the guarantee fund fall below 50% of the liabilities that have been incurred at the given moment the Commission shall submit a report on exceptional measures that may be required...
that may be required to replenish it.

9. Subsequent to a call on the EU guarantee, endowments to the guarantee fund provided for in points (b), (c) and (d) of paragraph 2 over and above the target amount shall be used to restore the EU guarantee up to its initial amount.

to replenish it.

9. Subsequent to a call on the EU guarantee, endowments to the guarantee fund provided for in points (b), (c) and (d) of paragraph 2 shall be used to restore the EU guarantee up to its target amount. Any remaining remuneration shall constitute internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012 for any lines which may have been used as a source of redeployment to the EFSI guarantee fund.

9a. In the event that additional surplus remains, after requirements under paragraphs 7(a) and 9 have been fully met, the Commission shall present a proposal on an increase of the overall level of the EU guarantee, leading to a reinforcement of the investment plan.

Amendment 71

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. The Commission and the EIB, with support from the Member States, shall promote the creation of a transparent pipeline of current and potential future investment projects in the Union. The pipeline is without prejudice to the final projects selected for support according to Article 3(5).

Amendment

1. The Commission and the EIB, with support from the Member States, involving regional and local authorities and economic and social partners, shall promote the creation of a transparent pipeline of current and potential future investment projects in the Union. The pipeline is without prejudice to the final projects selected for support according to Article 3(5) but should state the compliance of the proposed projects to the objectives and eligibility criteria laid down in Article 5.

Amendment 72

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. The Commission and the EIB shall develop, update and disseminate, on a regular and structured basis, information on current and future investments which significantly contribute to achieving EU policy objectives.

Amendment

2. The Commission and the EIB shall develop, update and disseminate, on a regular, structured and transparent basis, information on current and future investments which significantly contribute to achieving EU policy objectives, specifically information concerning energy and the environment for 2020, 2030 so as to accelerate the transition to a low-carbon, circular and sharing economy.

Amendment 73

Proposal for a regulation
Article 9 – paragraph 3

Text proposed by the Commission

3. Member States shall develop, update and disseminate, on a regular and structured basis, information on current and future investment projects in their territory.

Amendment

3. Member States and regional and local authorities shall develop, update and disseminate, on a regular and structured basis, information on current and future investment projects in their territory.

Amendment 74

Proposal for a regulation
Article 10

Text proposed by the Commission

1. The EIB, in cooperation with the EIF as appropriate, shall report semi-annually to the Commission on EIB financing and investment operations under this Regulation. The report shall include an assessment of compliance with the requirements on the use of the EU guarantee and the key performance indicators established pursuant to Article

Amendment

1. The EIB, in cooperation with the EIF as appropriate, shall report semi-annually to the Commission on EIB financing and investment operations under this Regulation. The report shall include an assessment of compliance with the requirements on the use of the EU guarantee and the key performance indicators established pursuant to Article
2(1)(g). The report shall also include statistical, financial and accounting data on each EIB financing and investment operation and on an aggregated basis.

2. The EIB, in cooperation with the EIF as appropriate, shall report annually to the European Parliament and to the Council on EIB financing and investment operations. The report shall be made public and include:

(a) an assessment of EIB financing and investment operations at operation, sector, country and regional levels and their compliance with this Regulation, together with an assessment of the allocation of EIB financing and investment operations between the objectives in Article 5(2);

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

(a) an assessment of EIB financing and investment operations at operation, sector, country and regional levels, their level of additionality and their compliance with this Regulation, together with an assessment of the allocation of EIB financing and investment operations between the objectives in Article 5(2) with a specific mentioning of guarantees granted to energy efficiency projects;

(b) an assessment of the economic and societal added value, the territorial cohesion, the mobilisation of private sector resources, the estimated and actual outputs, outcomes and impact of EIB financing and investment operations at an aggregated basis, and by project level, where disclosure of data is allowed; this assessment should specify how and to what extent the objectives and criteria set out in Article 5(2) have been achieved, such as the impact on the creation of future-oriented, sustainable and local jobs, with special attention to SMEs, the sustainable transition of the EU’s economy, the further development of digital technologies, the preservation and increase of the viability of ecosystem services, the diminishing of EU’s dependency on imported energy and on natural resources, the increase of the competitiveness and the innovation potential of the Union’s economy and the EU’s leadership in new technologies and
(c) an assessment of the financial benefit transferred to beneficiaries of EIB financing and investment operations on an aggregated basis;

(d) an assessment of the quality of EIB financing and investment operations;

(e) detailed information on calls on the EU guarantee;

(f) the financial statements of the EFSI.

3. For the purposes of the Commission's accounting and reporting of the risks covered by the EU guarantee and management of the guarantee fund, the EIB, in cooperation with the EIF as appropriate, shall provide the Commission every year:

(a) the EIB's and EIF's risk assessment and grading information concerning EIB financing and investment operations;

(b) the outstanding financial obligation for the EU concerning the guarantees provided towards EIB financing and investment operations broken down by the individual operations;

(c) the total profits or losses deriving from the EIB financing and investment operations within the portfolios provided by the EFSI Agreement pursuant to Article 2(1)(e).

4. The EIB shall provide to the Commission upon request any additional information necessary to fulfil the Commission's obligations in relation to this Regulation.

5. The EIB, and EIF as appropriate, shall provide the information referred to in paragraphs 1 to 4 at their own expense.

6. The Commission shall, by 30 June of each year, send to the European Parliament, the Council and the Court of
Auditors an annual report on the situation of the guarantee fund and the management thereof in the previous calendar year.

**Amendment 75**

**Proposal for a regulation**

**Article 11 – paragraph 1**

**Text proposed by the Commission**

1. At the request of the European Parliament, the Managing Director shall participate in a hearing of the European Parliament on the performance of the EFSI.

**Amendment**

1. On a quarterly basis or upon specific request of the European Parliament, the Managing Director shall participate in a hearing of the European Parliament on the performance of the EFSI and the decisions taken by the investment committee.

**Amendment 76**

**Proposal for a regulation**

**Article 12**

**Text proposed by the Commission**

Article 12

Evaluation and Review

1. At the latest [PO insert date: 18 months after the entry into force of this Regulation] the EIB shall evaluate the functioning of the EFSI. The EIB shall submit its evaluation to the European Parliament, the Council and the Commission;

At the latest [PO insert date: 18 months after the entry into force of this Regulation] the Commission shall evaluate the use of the EU guarantee and the functioning of the guarantee fund, including the use of endowments according to Article 8(9). The Commission shall submit its evaluation to the European Parliament and the Council.

2. By 30 June 2018 and every three years thereafter:

(a) the EIB shall publish a comprehensive

**Amendment**

1. At the latest [PO insert date: 12 months after the entry into force of this Regulation] the EIB shall submit an evaluation on the functioning of the EFSI to the European Parliament, the Council and the Commission;

At the latest [PO insert date: 12 months after the entry into force of this Regulation] the Commission shall evaluate the use of the EU guarantee and the functioning of the guarantee fund, including the use of endowments according to Article 8(9). The Commission shall annually submit its evaluation to the European Parliament and the Council.

2. Annually, and 6 months after the date of termination of the agreement of EFSI:

(a) the EIB shall publish a comprehensive
report on the functioning of the EFSI;
(b) the Commission shall publish a comprehensive report on the use of the EU guarantee and the functioning of the guarantee fund.

3. The EIB, in cooperation with the EIF as appropriate, shall contribute to and provide the necessary information for the Commission evaluation and report under paragraphs 1 and 2 respectively.

4. The EIB and EIF shall on a regular basis provide the European Parliament, the Council and the Commission with all their independent evaluation reports which assess the practical results achieved by the specific activities of the EIB and EIF under this Regulation.

5. At the latest [PO insert date three years after the entry into force of this Regulation], the Commission shall submit a report to the European Parliament and the Council on the application of this Regulation accompanied by any relevant proposal.

Amendment 77

Proposal for a regulation
Article 13

Text proposed by the Commission

In accordance with its own transparency policies on access to documents and information, the EIB shall make publicly available on its website information relating to all EIB financing and investment operations and how they contribute to the general objectives referred to in Article 5(2).

Amendment

In accordance with its own transparency policies on access to documents and information, the EIB shall make publicly available on its website information relating to all EIB financing and investment operations under this Regulation and specify how they contribute to the general objectives and eligibility criteria referred to in Article 5(2), to ensure a transparent
Amendment 78

Proposal for a regulation
Article 15 – paragraph 1

Text proposed by the Commission

1. The EIB shall notify OLAF promptly and provide it with the necessary information when, at any stage of the preparation, implementation or closure of operations subject to the EU guarantee, it has grounds to suspect that there is a potential case of fraud, corruption, money laundering or other illegal activity that may affect the financial interests of the Union.

Amendment

1. The EIB shall notify OLAF promptly and provide it with the necessary information when, at any stage of the preparation, implementation or closure of operations subject to the EU guarantee, it has grounds to suspect that there is a potential case of *conflict of interests*, fraud, corruption, money laundering or other illegal activity that may affect the financial interests of the Union.

Amendment 79

Proposal for a regulation
Article 16 – paragraph 1

Text proposed by the Commission

1. In its financing and investment operations, the EIB shall not support any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, or fraud affecting the financial interests of the Union. In particular the EIB shall not participate in any financing or investment operation through a vehicle located in a non-cooperative jurisdiction, in line with its policy towards weakly regulated or non-cooperative jurisdictions based on policies of the Union, the Organisation for Economic Cooperation and Development or the Financial Action

Amendment

1. In its financing and investment operations *under this Regulation*, the EIB shall not support any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, or fraud affecting the financial interests of the Union. In particular the EIB shall not participate in any financing or investment operation through a vehicle located in a non-cooperative jurisdiction, in line with its policy towards weakly regulated or non-cooperative jurisdictions based on policies of the Union, the Organisation for Economic Cooperation and Development...
Amendment 80
Proposal for a regulation
Article 16 – paragraph 1 a (new)

Text proposed by the Commission

1a. In its financing and investment operations, the EIB shall not support activities that hamper the Union on its path towards sustainable economic, scientific and social progress; in that regard, the EIB shall not participate in any projects that create a lock-in into technologies, production processes or infrastructures that are at the risk of stranding as they are not in line with the EU’s digital, energy and climate objectives for 2020, 2030 and 2050.

Amendment 81
Proposal for a regulation
Article 16 – paragraph 2

Text proposed by the Commission

2. In its financing and investment operations, the EIB 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 terrorist financing, including a requirement to take reasonable measures to identify the beneficial owners where applicable.

Amendment 82
Proposal for a regulation

2. In its financing and investment operations under this Regulation, the EIB 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 terrorist financing, including a requirement to take reasonable measures to identify the beneficial owners where applicable.
Article 17 – paragraph 4 a (new)

Text proposed by the Commission

4a. A delegated act adopted pursuant to Article 2(2) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of one month of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by one month at the initiative of the European Parliament or of the Council.

Amendment

Justification

The delegated act containing the EFSI agreement should be adopted in a swift manner, hence the response time by Parliament and Council has been reduced to one month.

Amendment 83

Proposal for a regulation

Article 18

Regulation (EU) No 1291/2014

Article 6

Text proposed by the Commission

[...]

Amendment

deleted

Justification

Linked to amendment on Article 8. The funding of the GF does not have to be fixed at the time of the adoption of the EFSI Regulation. It can be left to the annual budgetary procedure. Horizon 2020 already contributes greatly to investment in R&D and Innovation with a great leverage effect. It has been adopted through a lengthy legislative process that carefully identified the priority areas, the different instruments and the recipients, reaching a delicate balance.
Amendment 84

Proposal for a regulation
Article 19
Regulation (EU) No 1316/2013
Article 5

Text proposed by the Commission Amendment

[...]

deleted

Justification

Linked to amendment on Article 8. The funding of the GF does not have to be fixed at the time of the adoption of the EFSI Regulation. It can be left to the annual budgetary procedure. CEF already contributes greatly, to investment in energy, telecom and transport infrastructures, with a high leverage effect. It has been adopted through a lengthy legislative process that carefully identified the projects of common interest and the different instruments to be used.

Amendment 85

Proposal for a regulation
Annex I
Regulation (EU) No 1291/2014
Annex II

Text proposed by the Commission Amendment

[...]

deleted

Justification

Linked to amendment on Article 8. The funding of the GF does not have to be fixed at the time of the adoption of the EFSI Regulation. It can be left to the annual budgetary procedure. Horizon 2020 already contributes greatly, to investment in R&D and Innovation with a great leverage effect. It has been adopted through a lengthy legislative process that carefully identified the priority areas, the different instruments and the recipients– reaching a delicate balance.
<table>
<thead>
<tr>
<th>PROCEDURE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Title</strong></td>
</tr>
<tr>
<td><strong>Committees responsible</strong></td>
</tr>
<tr>
<td>Date announced in plenary</td>
</tr>
<tr>
<td><strong>Opinion by</strong></td>
</tr>
<tr>
<td>Date announced in plenary</td>
</tr>
<tr>
<td><strong>Associated committees - date announced in plenary</strong></td>
</tr>
<tr>
<td><strong>Rapporteur</strong></td>
</tr>
<tr>
<td>Date appointed</td>
</tr>
<tr>
<td><strong>Rule 55 – joint committee meetings</strong></td>
</tr>
<tr>
<td>Date announced in plenary</td>
</tr>
<tr>
<td><strong>Date adopted</strong></td>
</tr>
<tr>
<td><strong>Result of final vote</strong></td>
</tr>
<tr>
<td><strong>Substitutes present for the final vote</strong></td>
</tr>
<tr>
<td><strong>Substitutes under Rule 200(2) present for the final vote</strong></td>
</tr>
</tbody>
</table>