



2016/2064(INI)

30.1.2017

DRAFT REPORT

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

Committee on Budgets
Committee on Economic and Monetary Affairs

Rapporteurs: José Manuel Fernandes, Udo Bullmann

CONTENTS

	Page
EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS	3
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	7

EXPLANATORY STATEMENT - SUMMARY OF FACTS AND FINDINGS

In July 2015, the Regulation for the European Fund for Strategic Investments entered into force. This was preceded by intensive negotiations – both in content and in time – between European Commission, Council and European Parliament. In these negotiations, the European Parliament insisted on a series of political and technical adjustments and managed to significantly improve the European Commission proposal, which had been pre-negotiated with the European Investment Bank.

A look back: What the European Parliament achieved in the Trilogue negotiations

In a remarkable spirit of good cooperation across political groups, in 66 hours of Trilogue negotiations the European Parliament managed to achieve:

- that EFSI will bring real additionality. Many projects that have the potential to bring the European economy forward – such as investments in energy efficiency, broadband and transport – lack financing simply because they are too risky. The European Parliament introduced clear guidance – via eligibility criteria, investment guidelines and scoreboard – on the choice of projects, such that future-oriented investments are the clear target of EFSI.
- that the financing of €8bn for the EU guarantee fund was secured through an additional 1 billion from the margins (meaning ‘fresh’ appropriations), which led to 500m less cuts for each of Horizon 2020 and Connecting Europe Facility (compared to the original COM proposal). This amount increased the total contribution from the margins to 3 billion, and reduced accordingly the contribution of the two programmes.
- a powerful intermediary structure. Given that Member States announced their unwillingness to engage in the EFSI structure and recognising the successful role that National Promotional Banks play already today in Europe, the European Parliament extended the EFSI’s room for manoeuvre by introducing an intermediary structure.
- support for SMEs. They are the drivers of growth and job creation, and are thus to benefit from EFSI especially, but not only, via the EIF SME window.
- a significant contribution to economic, social and territorial cohesion, as well as boosting of employment.
- the prevention of a strong geographic and thematic concentration of the EFSI interventions.
- that the EIAH provides expertise free of charge for public project promoters and the fees charged to SMEs are capped at one third of their cost in order to ensure fair access to EFSI financing across the Union.
- the extension of the guarantee to projects in third countries.

The European Parliament was successful in expanding EFSI’s opportunities to contribute to

growth and jobs by promoting future-oriented investments, which were not at the forefront of the proposal originally foreseen by the European Commission and defended by the Council.

Where do we stand after 1.5 years of EFSI in place?

EFSI has now been in place for around 1.5 years. Even though this does neither allow for a comprehensive nor final assessment, evidence gathered so far can give a first indication of how the Regulation has been implemented.

The general impression is that EFSI has, from a quantitative point of view, delivered the expected results vis-à-vis the benchmark of 315bn EUR within the given timeframe, while in the SME Window these results have even largely exceeded expectations. From a qualitative point of view however, there are concerns on whether the Regulation has been implemented totally in line with what was foreseen by the co-legislators. Instead of promoting path-breaking projects, the EIB used the EU guarantee also to promote projects which cast doubt on whether they are in line with the project selection criteria established. Instead of cooperating with National Promotional Banks to find the best projects in Europe and to assist them all over the project cycle, it appears that the EIB steers competition with these actors. Instead of pro-actively working together with the European Parliament, the information flow has not been optimal.

This impression is underlined by several studies, assessments and evaluations on EFSI. The most prominent and recent independent impact assessment, commissioned and paid by the European Commission comes to the conclusion that there are several insufficiencies in the implementation of EFSI by the European Investment Bank.

The main findings of the different evaluations and reports are:

- **Relevance.** Despite the persistent investment gap, EFSI has been relevant in addressing investment and market needs in Europe by focusing on the requirement of high-risk financing.
- **Multiplier and private capital.** With a portfolio multiplier of 14.1 for signed operation and the mobilisation of 63% of private investment, EFSI has contributed to increased access to financing and the mobilisation of private capital.
- **Additionality.** While the volume of signatures by the EIB has been roughly constant since 2012 (around 75bn euros), the volume of special activities has grown significantly (from around 4 bn euro in 2013 to the planned 20-24 bn in 2016/18); Moreover, for the period ending 30 June 2016, new counterparts accounted for 85% of signed operations under the IIW, and 38% under the SMEW. Despite these figures, it appears that not all projects supported via EFSI seem to be truly additional. Respondents to the surveys and interviews conducted indicated that some of the financed projects could have been financed without EFSI support. For other projects the investment could not have been made to the same extent as with EFSI support. However, the study finds that the risk-behavior of the EIB as regards its EFSI activities has improved slightly over time.
- **Complementarity with other EU financing sources.** Main problems seem to be differentiating the goals and conditions of EFSI financing from other and similar

funding sources, leading to a competition with other EU funds. This holds true in particular for the complementarity with the debt instruments under the CEF, targeting the same type of projects that could be financed by EFSI under the IIW, as well as for certain instruments managed by the EIB under Horizon2020. Further, there is a high complementarity with COSME and InnovFin under the SMEW. However, some beneficiaries indicated that EFSI is attractive as it is cheaper compared to other investors, and support has a longer tenure than alternative support instruments. As regards the ESIF, it is acknowledged that there is an added value in combining the EFSI with ESIF; however, regulatory issues complicate this combination.

- **Scoreboard.** There are insufficiencies in the application of the Scoreboard. In terms of added value, the projects are scored by EIB on different criteria, such as contribution to the EFSI objectives, additionality, economic and technical viability of the projects and maximisation of private investment. However, there seems to be no clear definition on a minimum threshold per criterion, nor a weighting.
- **Efficiency of procedure.** EFSI support is effective in terms of approvals (1/3 of expected investments were mobilised after 1/3 of the initial life-time). However, beneficiaries and intermediaries have indicated the need to speed-up the approval/due diligence process.
- **Geographic distribution.** A broad overall coverage is reached by sector and Member State. However, a closer look reveals that as at 30 June 2016, EFSI support was not evenly distributed: the EU15 received 91% of EFSI support, whereas the EU13 received a mere 9% only (excluding multi-country operations). Within the IIW, UK, Italy and Spain had received 63.4%, while for the SMEW Italy, France and Germany received 36.1% of total EFSI support.
- **Sectorial distribution.** As regards sectors, operations signed under the IIW spanned seven EFSI sectors. Of these, energy was prevalent, accounting for 46% of total EFSI financing under the IIW; thereby exceeding the indicative 30% sector concentration limit for sectors as laid down in EFSI's Strategic Orientation. The SMEW's signed operations span four EFSI sectors. Of these, RDI was the preeminent sector, accounting for 69% of total EFSI financing under the SMEW.
- **Investment platforms.** A serious difficulty to set up investment platforms was identified (no such platform had been created one year after entering into force of the regulation), and that efforts should be intensified in the context of the EIAH to provide technical assistance in this area. Furthermore, it is not clear to all stakeholders what the role of the EIB would be in those platforms. Interviewees also indicated that there is a high demand for innovation projects that are below the threshold for EFSI projects under the IIW. Currently, it seems that the need for financing smaller projects is not sufficiently addressed through establishing platforms or by distributing the resources through financial intermediaries.
- **Communication and Visibility.** Further communication on EFSI among stakeholders is needed to raise further awareness, in order to also improve cooperation with NPBs and local actors.

- **EIAH.** The need to increase communication and raise awareness on potential services is identified, together with the need to increase capacity and strengthen links with other service providers.

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

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

The European Parliament,

- having regard to Articles 165 and 166 of the Treaty on the Functioning of the European Union,
- having regard to the Charter of Fundamental Rights of the European Union, in particular Article 14 thereof,
- having regard to Regulation (EU) 2017/1017 of the European Parliament and of the Council¹ (the EFSI regulation),
- having regard to the report from the Commission to the European Parliament, the Council and the European Court of Auditors on the management of the guarantee fund of the European Fund for Strategic Investment of 31 May 2016 (COM(2016)0353),
- having regard to the Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions of 1 June 2016 (COM(2016)0359),
- having regard to the annual report from the European Investment Bank to the European Parliament and the Council on 2015 EIB Group Financing and Investment Operations under EFSI²,
- having regard to the Commission evaluation³, the Evaluation of the functioning of the European Fund for Strategic Investments (EFSI) by European Investment Bank⁴, Ad-hoc audit of the application of Regulation (EU) 2015/1017 by Ernst and Young⁵ and the opinion by the European Court of Auditors⁶,
- having regard to the proposal for a regulation of the European Parliament and of the Council to amend Regulations (EU) No 1316/2016 and (EU) 2015/1017 (COM(2016)0597),
- having regard to the opinion of the European Economic and Social Committee,
- having regard to opinion of the Committee of Regions,
- having regard to Rule 52 of its Rules of Procedure, as well as Article 1(1)(e) of, and Annex 3 to, the decision of the Conference of Presidents of 12 December 2002 on the procedure for granting authorisation to draw up own-initiative reports,

¹ OJ L 169, 1.7.2015, p. 1.

² http://www.eib.org/attachments/strategies/efsi_2015_report_ep_council_en.pdf

³ SWD(2016)0297.

⁴ http://www.eib.org/attachments/ev/ev_evaluation_efsi_en.pdf, September 2016

⁵ Report of 14 November 2016, https://ec.europa.eu/priorities/sites/beta-political/files/ey-report-on-efsi_en.pdf

⁶ OJ C 465/1, 13.12.2016.

- having regard to the report of the Committee on Budgets and the Committee on Economic and Monetary Affairs and the opinions of the Committee on International Trade, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on Budgetary Control, the Committee on Employment and Social Affairs, the Committee on the Internal Market and Consumer Protection, Committee on Regional Development and the Committee on Culture and Education (A8-0000/2017),
- 1. Takes note of the large investment gap in Europe, which the Commission estimates at a minimum of EUR 200-300 billion a year; , highlights in particular, against this backdrop, the market needs in Europe for high-risk financing, for instance in the fields of R&D, energy and ICT; is concerned by the fact that the most recent data on national accounts do not indicate any surge in investment since the European Fund for Strategic Investments (EFSI) was launched, leading to risks of continued subdued growth and continuing high unemployment rates; stresses that closing this investment gap is key to reviving growth, fighting unemployment and attaining long-term EU policy objectives;
- 2. Emphasises that EFSI was launched to help resolve difficulties and remove obstacles to financing as well as to implement strategic, transformative and productive investments that provide a high level of added value to the economy, the environment and society;
- 3. Recalls the role of Parliament as foreseen in the regulation, in particular in relation to the monitoring of EFSI implementation; acknowledges, however, that it is too early to finalise a comprehensive assessment of the functioning of EFSI and its impact on the EU economy, but is of the opinion that a preliminary evaluation is crucial in order to identify possible areas of improvement for EFSI 2.0 and thereafter;

Additionality

- 4. Recalls that the purpose of EFSI is to ensure additionality by helping to address market failures or suboptimal investment situations and supporting operations which could not have been carried out under existing Union financial instruments;
- 5. Recalls that the projects supported by EFSI, while striving to create employment, sustainable growth, economic, territorial and social cohesion, are considered to provide additionality if they carry a risk corresponding to EIB special activities, as defined in Article 16 of the EIB Statute and by the credit risk policy guidelines of the EIB; underlines that EIB projects carrying a risk lower than the minimum risk under EIB special activities may also be supported by EFSI only if use of the EU guarantee is required to ensure additionality;
- 6. Notes that, while all projects approved under EFSI are presented as ‘special activities’, an independent evaluation has found that some projects could have been financed otherwise;
- 7. Calls on the Commission, in cooperation with the EIB, to draw up an inventory of all EU-backed EIB financing falling under the additionality criteria;
- 8. Urges the EIB to comply fully with the letter and the spirit of the EFSI Regulation and to implement real additionality;

Scoreboard and project selection

9. Notes that, as provided for in the regulation, prior to a project being selected for EFSI support, it has to undergo due-diligence and decision-making processes both in the EIB and the EFSI governance structures; observes that project promoters have expressed a wish for swift feedback and enhanced transparency in relation to both the selection criteria and the amount and type/tranche of possible EFSI support; criticises the current lack of clarity, which deters project promoters from applying for EFSI support; calls for the decision-making process to be made more transparent in respect of the selection criteria and financial support and to be speeded up;
10. Considers that the criteria according to which projects are assessed are unclear and lack transparency; requests further information from the EFSI governing bodies on the evaluations carried out on all projects approved under EFSI accordingly, in particular as regards their additionality and contribution to growth and job creation as defined in the Regulation;
11. Recalls that the scoreboard is supposed to be used by the Investment Committee (IC) to ensure an independent and transparent assessment of the potential and actual use of the EU guarantee and to prioritise projects; requests that the project selection criteria be properly applied and this process be made more transparent; recalls that the IC must assign equal importance to each pillar of the scoreboard when prioritising projects, irrespective of whether the individual pillar yields a numerical score, or whether it is composed of unscored qualitative and quantitative indicators; criticises the fact that the EIB itself admits that the IC's experts only make use of the 4th pillar for information purposes, not for decision-making;
12. Acknowledges that it may take some years to prepare new innovative projects, that the EIB is under pressure to achieve the EUR 315 billion goal and therefore had no option but to launch EFSI activities immediately, is concerned, however, that the EIB, when implementing EFSI, has thus far drawn on its existing project pipeline with lower risk projects to a large extent, thereby reducing its own conventional financing; fears that EFSI does not provide complementary financing for high-risk innovative projects; underlines that even though a project qualifies as a special activity, this does not necessarily imply that it is risky, however the classification as a special activity might also stem from the fact that its financing has been structured in an artificially risky fashion, implying that very low-risk projects can also easily end up as high-risk projects;
13. Requests that the EIB provide an estimate of its potential annual lending capacity in the medium term, taking into account EFSI and possible regulatory developments and to continue its own lending at rates of EUR 70-75 billion a year, using profits, repayments from the programmes etc., and that it use EFSI as complementary tool; notes that this would mean the business volume of the EIB would reach at least EUR 90 billion, not EUR 75 billion in total;
14. Considers it important to discuss whether the envisaged leverage of 15 is appropriate to enable EFSI to support high quality projects bearing a higher risk; invites the EIB to weigh up complementing the volume requirement with secondary goals to be achieved;

15. Notes with concern that small projects are deterred from applying for EFSI financing based on their size; points to the significant impact that a small project might nevertheless have on a national or regional scale; believes that the European Investment Advisory Hub (EIAH) is instrumental in advising and accompanying promoters of small-scale projects in the structuring and bundling of projects via investment platforms or framework agreements; calls on the Steering Board to look into this issue and put forward proposals to correct this situation;

Sectorial diversification

16. Emphasises that EFSI is a demand-driven instrument, which should, however, be guided by the political objectives set out in the regulation and defined by the Steering Board;
17. Welcomes that all sectors defined in the EFSI Regulation have been covered by EFSI financing; points out, however, that certain sectors are under-represented; notes that this might be due to the fact that certain sectors already offered better investment opportunities in terms of shovel-ready, bankable projects when EFSI started up; invites the EIB against this backdrop to discuss how to improve sectorial diversification, linking it to the goals set out in the Regulation as well as the issue of whether EFSI support should be extended to other sectors;

Governance

18. Observes that the EFSI governance structures have been implemented in full within the EIB; considers that, with a view to improving the efficiency and accountability of EFSI, options for making the EFSI governance structure completely separate from that of the EIB should be discussed;
19. Recalls that the Managing Director (MD) is responsible for the day-to-day management of EFSI, the preparation and chairing of meetings of the IC and for external representation; recalls that the MD is assisted by the Deputy Managing Director (DMD); regrets that, in practice, the respective roles, especially that of the DMD, have not been clearly identified; invites the EIB to reflect on spelling out the tasks of the MD and the DMD more clearly in order to ensure transparency and accountability; suggests that the MD, assisted by the DMD, could be explicitly put in charge of setting the agenda of the IC meetings, of carrying out an initial screening of the projects presented by the EIB as well as being made explicitly accountable for the decisions of IC experts; suggests, furthermore, that the MD should devise procedures for tackling potential conflicts of interest within the IC, report to the Steering Board (SB), propose sanctions for breaches as well as the means to implement them; believes that the authority of the MD and the DMD in carrying out these tasks would be enhanced by enjoying greater autonomy vis-à-vis the EIB; invites the EIB accordingly to explore options for increasing the independence of the MD and the DMD;
20. Recalls that the IC experts are responsible for EFSI project selection, granting the EU guarantee and for approving operations with investment platforms and National Promotional Banks (NPBs) or institutions; recalls further that they are independent; considers that project selection is not transparent enough and that decisions have to be accounted for; stresses that the EIB should make improvements to the disclosure of

information about the projects it approves under EFSI, with a proper justification of additionality and the scoreboard; is concerned about documented conflicts of interest on the part of IC members;

21. Invites the EIB to reflect on the ways in which cooperation between IC, through the MD and the SB, could be enhanced; suggests that the MD could systematically participate in SB meetings, which would also allow the MD to inform the SB about future activities;
22. Proposes discussing means of enhancing the transparency of EFSI governance structures for Parliament and the addition of a further full member to the SB representing Parliament; urges the EFSI governance bodies to share information with the EP on a proactive basis;

National Promotional Banks

23. Recalls that as a result of their know-how, NPBs are necessary for the success of EFSI, as they are close to the local markets; finds that synergies have so far not been exploited to the requisite extent ; observes a risk of local institutions being crowded out by the EIB; recognises that EFSI and the EIB are increasingly willing to take more junior/subordinated tranches with the NPBs and urges them to continue to do so; invites the EIB to discuss whether it would be useful to incorporate NPB expertise into the SB;

Investment Platforms

24. Recalls that diversified investments with a geographical or thematic focus should be made possible by helping to finance and bundle projects and funds from different sources; notes that the first investment platform was only set up in the third quarter of 2016;
25. Urges the EFSI governing bodies to pay greater attention to investment platforms with a view to maximising the benefits that the latter can bring in overcoming investment barriers, especially in EU-13; invites the EIB to provide stakeholders with more information on the platforms;
26. Proposes a discussion of additional means of promoting IPs, such as by prioritising the approval of projects presented via a platform, the pooling of smaller projects and group contracts and establishing mechanisms to finance groupings of contracts; believes that transnational platforms should be promoted in particular, as many energy and digital projects have a transnational dimension;

Financial instruments

27. Recalls that the EIB has developed new financial instruments for the purposes of EFSI in order to provide tailor-made products for high-risk financing; expresses concerns about project promoters' criticisms that the financing instruments provided are not compatible with their projects' needs (high-risk projects often need money upfront to kick-start investments, and not in smaller amounts on a year-by-year basis) and investors stressing that they are currently not in a position to participate in EFSI financing due to a lack of appropriate private equity instruments; invites the EIB to examine this in cooperation with project promoters and investors;

Geographical diversification

28. Welcomes that by the end of 2016, all 28 countries received EFSI funding; underlines, however, that as of 30 June 2016, EU-15 had received 91% whereas EU-13 had only received 9% of EFSI support; regrets that EFSI support has mainly benefitted a limited number of countries;
29. Acknowledges that GDP and the number of projects approved are linked; recognises that larger Member States are able to take advantage of more developed capital markets and are therefore more likely to benefit from a market-driven instrument such as EFSI; underlines that lower EFSI support in EU-13 may be attributable to other factors, such as the small size of projects, and competition from the European Structural and Investment Funds (ESIF); observes with concern, however, the disproportionate benefit to certain countries and underlines the need to diversify geographical distribution further, especially in crucial sectors such as modernising and improving the productivity and sustainability of economies;

European Investment Advisory Hub (EIAH)

30. Attaches the utmost importance to the operation of the European Investment Advisory Hub (EIAH); considers that its mission to act as a single point of entry to comprehensive advisory and technical assistance throughout all stages of the project cycle largely responds to the growing need for technical assistance support among authorities and project promoters;
31. Is pleased that the EIAH has been up and running since September 2015, moving through a quick implementation phase; acknowledges that, due to the limited period of its existence and a shortage of staff at the initial stage, not all EIAH services have been fully developed and that activity has predominantly focused on providing support for project development and structuring, policy advice, and project screening;
32. Is convinced that the EIAH has the potential to play an instrumental role in addressing many of the shortcomings of EFSI implementation; believes strongly that, in order to do so, it needs to adopt a more proactive stance in providing assistance in fields such as setting up investment platforms, also in view of the latter's importance in the financing of smaller projects; stresses also the role of the EIAH in providing advice combining other sources of Union funding with EFSI;
33. Considers, similarly, that the EIAH can actively contribute towards geographical and sectorial diversification, not only by covering all regions and more sectors in the provision of its services, but also by assisting the EIB in launching operations; believes that the EIAH can play an important role in contributing to the objective of economic, social and territorial cohesion;
34. Recalls that the EFSI Regulation confers a mandate on the EIAH to leverage local knowledge with a view to facilitating EFSI support across the Union; believes that significant improvements are needed in this area; attaches great importance to the provision of services at local level, also in order to take account of specific situations and local needs, especially in countries that do not have experienced National Promotional Institutions (NPIs) or NPBs; considers that links with other local providers

should be enhanced to take this into account;

35. Expects the EIAH to conclude its recruitment processes and reach its full staffing levels without any further delay; expresses doubts, however, that the staff capacity foreseen will be sufficient for the EIAH to provide the required advisory services and to cope with an increased workload, as well as a broader mandate;
36. Stresses that the EIAH needs to enhance the profile of its services, improve communication and raise awareness and understanding on its activities amongst EIAH stakeholders; considers that all relevant communication channels should be deployed to achieve this purpose, including at national and local level;

European Investment Project Portal (EIPP)

37. Regrets that the European Investment Project Portal (EIPP) was only launched by the Commission on 1 June 2016, almost a year after the adoption of the EFSI Regulation; notes that the portal is now operational, with 139 projects currently displayed, but considers that this is still very far from the potential expected when the EFSI regulation was adopted;
38. Considers that the EIPP provides a user-friendly platform for project promoters to boost the visibility of their investment projects in a transparent manner; believes, however, that the key to the success of the portal is to increase its own visibility significantly, in order to achieve common acknowledgement as a useful, reliable and efficient tool both among investors and project promoters; urges the Commission to work actively in this direction through solid communication activities;
39. Notes that the costs related to the set-up and development, management, support and maintenance, and hosting of the EIPP are currently covered by the EU budget, within the annual allocation of EUR 20 million foreseen for the EIAH; recalls, however, that the fees charged to private project promoters registering their project on the portal shall constitute external assigned revenue for the EIPP and in the future will be its main source of financing;

Guarantee

40. Recalls that the Union provides an irrevocable and unconditional guarantee to the EIB for financing and investment operations under EFSI; is convinced that the EU Guarantee has enabled the EIB to take on higher risk for the Infrastructure and Investment Window (IIW) and has permitted the financing of SMEs, Midcaps under COSME and InnovFin for the SME Window (SMEW) to be enhanced and frontloaded;
41. Stresses that, due to a very strong uptake reflecting the high market demand, the SME Window was further reinforced by EUR 500 million from the IIW Debt Portfolio under the existing legislative framework; welcomes that, due to the flexibility of the EFSI Regulation, the additional financing was granted to benefit SMEs and small mid-caps; intends to monitor closely the allocation of the guarantee under the two windows;
42. Recalls that the EU Guarantee Fund is predominantly funded from the EU budget; takes account of all relevant evaluations suggesting that the current provisioning rate of the

Guarantee Fund of 50% appears to be cautious and prudent in terms of covering potential losses and that the Union budget would already be shielded by an adjusted target rate of 35%; intends to examine whether proposals for a lower target rate would have repercussions on the quality and nature of the projects selected; stresses that, so far, there have been no calls as a result of defaults of EIB or EIF operations;

Future financing, fund capacity

43. Notes that the Commission has proposed an extension of EFSI, both in terms of duration and financial capacity, and that this would have an impact on the EU budget; expresses its intention to put forward alternative financing proposals;
44. Recalls that Member States were invited to contribute to EFSI in order to broaden its capacity, thereby enabling it to support more higher-risk investments; regrets that despite such investment being considered as a one-off measure within the meaning of Article 5 of Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary provisions and the surveillance and coordination of economic policies and Article 3 of Council Regulation (EC) No 1467/97 of 7 July 1997 on speeding up and clarifying the implementation of the excessive deficit procedure, Member States did not take this initiative; requests information from the EIB and the Commission as to whether they have undertaken efforts in the meantime to convince Member States to contribute to EFSI, and whether they might be able to attract other investors; invites the Commission and the EIB to step up their efforts in this direction;

Complementarities with other EU financing sources

45. Notes that awareness of overlaps and competition between EFSI and financial instruments of the EU budget on the part of the Commission and the EIB has led to the adoption of guidelines recommending the combination of EFSI and ESI financing; points, however, to persistent differences in the eligibility criteria, regulations, timeframe for reporting and the application of state aid rules, which hinder combined usage; welcomes the fact that the Commission has begun to address these in its proposal for a revision of the Financial Regulation; believes that further efforts are required and that the second and third pillars of the investment plan are key to this end;

Taxation

46. Is deeply concerned that the EIB has been pushing via EFSI to support projects that have been structured using firms in tax havens; urges the EIB and the EIF to refrain from making use of or engaging in tax avoidance structures, in particular aggressive tax planning schemes, or practices which do not comply with EU good governance principles on taxation, as set out in the relevant Union legislation, including Commission recommendations and communications;

Communication and Visibility

47. Observes that many project promoters are not aware of the existence of EFSI, or have an insufficiently clear picture of what EFSI can offer them and how to benefit from it; underlines that further efforts have to be made to raise awareness of what EFSI is, which specific products and services it has to offer and of the roles of investment

platforms (IPs) and NPBs;

48. Expresses concern that the direct support given to financial intermediaries, which are then responsible for the allocation of EU financing, might lead to situations in which the end beneficiary is not aware of benefitting from EFSI financing and calls for solutions to be found to improve EFSI's visibility; invites, therefore, the EIB to include in EFSI contracts a note making it clear to the project promoter that the financing received has been made possible by the EFSI/EU budget;

Extension

49. Acknowledges that EFSI alone - and on a limited scale- will probably not be able to close the investment gap in Europe, but that it nevertheless constitutes a central pillar of the EU's investment plan and signals the EU's determination to tackle this issue; calls for further proposals to be made on how to permanently boost investment in Europe;

◦

◦ ◦

50. Instructs its President to forward this resolution to the Council and the Commission, to the EIB and to the parliaments and governments of the Member States.