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REPORT

on the right funding mix for Europe’s regions: balancing financial instruments and grants in EU cohesion policy
(2016/2302(INI))

Committee on Regional Development

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

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

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the right funding mix for Europe's regions: balancing financial instruments and grants in EU cohesion policy
(2016/2302(INI))

The European Parliament,

– having regard to the Treaty on the Functioning of the European Union and in particular Title XVIII thereof,

– having regard to Article 349 of the Treaty on the Functioning of the European Union,

– having regard to Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (CPR)[1], and the delegated and implementing acts linked to the relevant articles of this Regulation,

– having regard to Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006[2],

– having regard to Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006[3],

– having regard to Regulation (EU) No 1300/2013 of the European Parliament and of the Council of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006[4],

– having regard to Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments[5],

– having regard to its resolution of 13 September 2016 on European Territorial

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[1] OJ L 347, 20.12.2013, p. 320.
[2] OJ L 347, 20.12.2013, p. 289.
[3] OJ L 347, 20.12.2013, p. 470.
[4] OJ L 347, 20.12.2013, p. 281.
[5] OJ L 169, 1.7.2015, p. 1.

Cooperation – best practices and innovative measures[1],

– having regard to its resolution of 28 October 2015 on cohesion policy and the review of the Europe 2020 strategy[2],

– having regard to its resolution of 9 September 2015 on 'Investment for jobs and growth: promoting economic, social and territorial cohesion in the Union'[3],

– having regard to the opinion of its Committee on Regional Development on the report of its Committee on Budgetary Control entitled 'European Investment Bank (EIB) – Annual Report 2014'[4],

– having regard to the Commission communication of 14 December 2015 entitled 'Investing in jobs and growth – maximising the contribution of European Structural and Investment Funds' (COM(2015)0639),

– having regard to the Commission communication of 26 November 2014 entitled 'An Investment Plan for Europe' (COM(2014)0903),

– having regard to the Commission communication of 22 January 2014 entitled 'Guidelines on State aid to promote risk finance investments' (2014/C 19/04)[5],

– having regard to the Commission's Sixth Report on economic, social and territorial cohesion of 23 July 2014 entitled 'Investment for jobs and growth. Promoting development and good governance in EU regions and cities' (COM(2014)0473),

– having regard to the Commission's synthesis report of August 2016 entitled 'Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF)',

– having regard to the Commission's report of 30 October 2014 entitled 'Financial instruments supported by the general budget according to Art. 140.8 of the Financial Regulation as at 31 December 2013' (COM(2014)0686),

– having regard to the Commission's Guidance for Member States on Article 42(1)(d) CPR – Eligible management costs and fees, of 26 November 2015,

– having regard to the Commission's Guidance for Member States on CPR_37_7_8_9 Combination of support from a financial instrument with other forms of support, of 10 August 2015,

– having regard to the Commission's Guidance for Member States on Article 37(2) CPR – Ex-ante assessment, of 27 March 2015,

[1] Texts adopted, P8_TA(2016)0321.
[2] Texts adopted, P8_TA(2015)0384.
[3] Texts adopted, P8_TA(2015)0308.
[4] Texts adopted, P8_TA(2016)0200.
[5] OJ C 19, 22.1.2014, p. 4.

– having regard to the Commission's reference guide for Managing Authorities of 2 July 2014, entitled 'Financial instruments in ESIF programmes 2014-2020',

– having regard to the Commission's summary report of November 2016 entitled 'Financial instruments under the European Structural and Investment Funds. Summaries of the data on the progress made in financing and implementing the financial instruments for the programming period 2014-2020 in accordance with Article 46 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council',

– having regard to the Commission's summary report of December 2015 entitled 'Summary of data on the progress made in financing and implementing financial engineering instruments for the programming period 2014-2020 in accordance with Article 46 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council',

– having regard to the Commission's summary report of September 2014 entitled 'Summary of data on the progress made in financing and implementing financial engineering instruments reported by the managing authorities in accordance with Article 67(2)(j) of Council Regulation (EC) No 1083/2006',

– having regard to the Commission Staff Working Document of 13 November 2015 entitled 'Activities relating to financial instruments. Accompanying the document: Report from the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Art. 140.8 of the Financial Regulation as at 31 December' (SWD(2015)0206),

– having regard to the European Court of Auditors' Special Report No 19/2016, entitled 'Implementing the EU budget through financial instruments – lessons to be learnt from the 2007-2013 programme period',

– having regard to the European Court of Auditors' Special Report No 5/2015, entitled 'Are financial instruments a successful and promising tool in the rural development area?',

– having regard to the European Court of Auditors' Special Report No 16/2014, entitled 'The effectiveness of blending regional investment facility grants with financial institution loans to support EU external policies',

– having regard to the European Court of Auditors' Special Report No 2/2012 entitled 'Financial instruments for SMEs co-financed by the European Regional Development Fund',

– having regard to the opinion of the Committee of the Regions of 14 October 2015 entitled 'Financial instruments in support of territorial development',

– having regard to the European Investment Bank's final report of March 2013, entitled 'Financial Instruments: A Stock-taking Exercise in Preparation for the 2014-2020 Programming Period',

– having regard to the study entitled 'Financial instruments in the 2014-2020 programming period: first experiences of Member States', commissioned by Parliament's Directorate-General for Internal Policies, Policy Department B: Structural and Cohesion Policies, October 2016,

– having regard to the study entitled 'Review of the Role of the EIB Group in European Cohesion Policy', commissioned by Parliament's Directorate-General for Internal Policies, Policy Department B: Structural and Cohesion Policies, March 2016,

– having regard to the briefing entitled 'Challenges for EU cohesion policy: Issues in the forthcoming post-2020 reform', European Parliamentary Research Service, May 2016,

– having regard to the fact sheet entitled 'Cohesion Policy implementation in the EU28', European Parliamentary Research Service, September 2015,

– having regard to Rule 52 of its Rules of Procedure,

– having regard to the report of the Committee on Regional Development and the opinions of the Committee on Budgets and the Committee on Agriculture and Rural Development (A8-0139/2017),

A. whereas the review/revision of the Multiannual Financial Framework (MFF) and the fact that the 2014-2020 programming period is approaching mid-term have given rise to the discussion on the mix of grants and financial instruments to be invested through the EU budget during the post-2020 period;

B. whereas the Omnibus Proposal represents the only opportunity for a range of mid-term improvements to the system that governs the current programming period;

C. whereas the term 'financial instruments' covers a variety of instruments, and the assessment and decisions on their use require constant detailed analysis on a case-by-case basis, linked to an assessment of the specific needs of local and regional economies or of a particular target group;

2007-2013 period - reliable investment through grants and financial instruments

1. Recognises that, although the financial instruments were designed before the financial and economic crisis and were not the most suitable for an economic context of crisis, the Commission's reporting exercise provides strong evidence that European Structural and Investment (ESI) Funds investment through grants and financial instruments resulted in solid impact and visible results by investments in EU regions, which amounted to EUR 347.6 billion, excluding national co-financing and additionally leveraged resources;

2. Welcomes the existing European Investment Bank (EIB) Cohesion Policy operations visible in annual reports and sector reports, revealing the impact on SMEs and mid-caps, infrastructure, research and innovation, the environment, energy and agriculture; concludes that EIB lending in support of Cohesion Policy for the period 2007-2013 is estimated at EUR 147 billion, which represents roughly 38 % of all lending in the EU;

2014-2020 period - a new page in investment through the ESI Funds

3. Welcomes the fact that in 2014-2020 the EU is expected to invest EUR 454 billion through ESI Funds, and with national co-financing for the investment in the form of grants and financial instruments the sum is expected to rise to EUR 637 billion;

4. Acknowledges that both the volume and the quality of financial instruments (in the form of microcredit, loans, guarantees, equity and venture capital) under Cohesion Policy's shared management increased; highlights the two main reasons for this trend – the 2007-2013 period provided valuable experience and lessons regarding ESI Funds implementation through grants and financial instruments, while the 2014-2020 MFF reflects the post-crisis need for more financial instruments owing to fiscal limitations;

5. Notes that, according to estimations, allocations in FIs from the European Regional Development Fund (ERDF), the Cohesion Fund (CF) and the European Social Fund (ESF) would almost double between 2007-2013, when they amounted to EUR 11.7 billion, and 2014-2020, when they would amount to EUR 20.9 billion; notes that the FIs would therefore represent 6 % of the overall cohesion policy allocation in 2014-2020 of EUR 351.8 billion, compared with 3.4 % of the EUR 347 billion allocated in 2007-2013;

6. Notes that the allocations from the CF amount to approximately EUR 75 billion, representing 11.8% of the total FI's allocations in the 2014-2020 period; welcomes the allocation increase from EUR 70 billion in the 2007-2013 period to EUR 75 billion in the 2014-2020 period; highlights the fact that allocation to the CF should not be diminished, taking into consideration that approximately 34 % of the EU's population live in regions that receive aid from the CF;

7. Takes note of the total volume of EUR 5 571.63 million of operational programme contributions committed to FIs by 21 Member States by 31 December 2015 in the current MFF, EUR 5 005.25 million of which are from the ERDF and the CF;

8. Welcomes the fact that crucial regulatory changes in programming, implementation and management of financial instruments, such as direct links to all 11 thematic objectives, appropriate compulsory ex-ante assessment that enables market failures to be identified, the creation of tailor-made and simplified off-the-shelf financial instruments and reporting mechanisms, can have a critical positive impact on the attractiveness and speed of the implementation of Cohesion Policy, by addressing legal uncertainties that arose during the 2007-2013 period; calls, however, for efforts to be made to ensure that the changes in question do not affect the attractiveness and implementation speed of financial instruments;

Grants and financial instruments - intervention logic defines the mix

9. Emphasises that although they are supporting the same Cohesion Policy objectives, ESI Funds' grants and financial instruments, which are not an end in themselves, under shared management have different intervention logic and application addressing territorial development needs, sectoral needs or market needs;

10. Recognises that, depending on the type of the project, grants have various strengths as compared to financial instruments: supporting projects that do not necessarily generate revenue, providing funding to projects that for various reasons cannot attract private or

public funding, targeting specific beneficiaries, issues and regional priorities, and lower complexity of use owing to existing experience and capacity; acknowledges that in some cases grants are bound to limitations: difficulties in achieving project quality and sustainability, risk of substituting public funding in the long-run and a crowding-out effect for potential private investment even when projects may have a revolving nature and a capacity to generate revenues to repay loan-based financing;

11. Recognises that financial instruments offer advantages, such as leverage and revolving effects, the attraction of private capital and coverage of specific investment gaps through high-quality bankable projects, thereby maximising the efficiency and effectiveness of the implementation of regional policy; acknowledges that financial instruments come with certain disadvantages, which could cause them to come into conflict with more attractive national or regional instruments, such as: slower implementation in some regions, higher complexity, lower than expected leverage of ESI Fund-supported financial instruments as well as, in some cases, higher implementation costs and management fees; notes that grants represent preferable investments in some policy areas such as certain types of public infrastructure, social services, research and innovation policy or, in general, projects that do not generate revenue;

12. Highlights that intervention logic is not a dividing line but a meeting point for establishing a level playing field of grants and financial instruments so that Cohesion Policy can ensure better coverage of beneficiaries and investment gaps through a variety of measures; points out that intervention logic is a bottom-up approach in ESI Funds programming and that all Member States and regions should continue to take into consideration the most appropriate option when freely setting the share of financial instruments or grants as delivery tools to contribute to the selected priorities in their respective operational programmes, bearing in mind that local and regional authorities are involved and have a crucial role to play; recalls that management authorities are the ones that must voluntarily decide about the type of financial instrument most appropriate for implementation;

Financial instruments' performance - challenges

13. Recognises the importance of using financial instruments in Cohesion Policy operations; welcomes the fact that reporting on the implementation of financial instruments in 2015 has revealed progress, despite the late start of the current programming period; notes, however, that progress on the implementation of ESI Funds financial instruments is highly divergent not just between one Member State and another but also within individual Member States; recalls that the positive experience and impact of using financial instruments in the 2007-2013 programming period was accompanied by a number of performance issues: late start of operations, inaccurate market assessment, diverging regional uptake, overall low disbursement rates, low leverage effect, problematic revolving, high management costs and fees and inadequately large endowments; recalls that by 2015, after the Commission extended specific implementation deadlines for the financial instruments, a number of the observed shortcomings were mitigated through targeted measures;

14. Notes that implementation delays to ESI Funds may affect disbursement rates,

revolving and leverage, the latter of which should be based on a definition and on methodologies used by international organisations such as the OECD, with a clear distinction being made between public and private contributions and an indication provided of the precise degree of leverage possible under each of the financial instruments, broken down by country and region; recalls the fact that delays in the 2007-2013 period contributed irreversibly to sub-optimal performance of ERDF and ESF financial instruments; emphasises that implementation delays, which can be attributed to the late start of the programming period, may harm the performance of ESI Funds financial instruments, which could lead to inaccurate evaluation conclusions at the end of the period; calls, therefore, for all the necessary steps to be taken by the Member States to mitigate the negative effects of delayed implementation, especially regarding the risk of limited use and impact of financial instruments;

15. Is seriously concerned about the strong possibility of a repetition of the accumulated backlog of unpaid invoices in the second half of the current MFF, as this could seriously impact other EU-funded policies;

16. Notes the significant differences across the EU regarding the penetration of financial instruments, including ESI Funds and the European Fund for Strategic Investments (EFSI), the initial results of these funds and the expected leverage of additional resources, as well as other EU-funded financial instruments in the Union's top-performing economies, which are serving to undermine the objectives of Cohesion Policy; emphasises that the overall success of such instruments depends on how easy they are to use and the ability of the Member States to manage investments through them, for which precise and differentiated indicators, which would enable their real impact on cohesion policy to be assessed, are required;

Simplification, synergies and technical assistance – solutions

17. Welcomes the Commission's actions in optimising regulation and reducing red tape; emphasises that despite the improvements, complexity still exists and issues such as the long set-up time and administrative burden for recipients are disincentives to use financial instruments; calls on the Commission to work closely with the EIB, the EIF and managing authorities to combine much more easily ESI Funds microcredit, loans, guarantees, equity and venture capital, while ensuring the same level of transparency, democratic scrutiny, reporting and control;

18. Notes that specific provisions limit flexibility in operations with financial instruments; points out that state aid rules appear to be particularly burdensome, especially when combining grants with financial instruments; calls on the Commission to ensure an adequate state aid framework and to explore further options to simplify state aid compliance on all three levels – managing authorities, the fund of funds and financial intermediaries; calls for a level playing field in state aid rules concerning all financial instruments in order to avoid preferential treatment of certain sources of funding over others, especially in the field of SME support;

19. Highlights the importance of financial instrument performance auditing, including auditing of the EIB Group's operations on Cohesion Policy; notes that auditing activities include access to the entire ESI Funds cycle; calls on the Commission and national authorities to identify opportunities for simplification and synergies through the

auditing process; calls on the Commission, therefore, to focus on a comparative analysis of grants and financial instruments as well as on further capacity-building, audit methodology and guidelines for audit processes, which should not increase the financial and administrative burden on beneficiaries;

20. Points out that combining grants and financial instruments has unexplored potential; emphasises that alongside guidance to authorities, further simplification and harmonisation is needed for the rules that concern combining different ESI Funds, as well as for the rules that concern combining the ESI Funds with instruments such as Horizon 2020 and EFSI; calls for better regulation in the form of clear, consistent and focused rules as regards easing the regulatory burden by facilitating the above-mentioned combining of allocations from more than one programme to the same financial instrument, as well as enabling combinations of microfinance instruments in ESF operations and further simplifying public procurement in the selection of financial intermediaries and for public-private partnerships; calls for better coherence between different strategies; stresses that combining ESI Funds grants and financial instruments with other funding sources can make the funding structure more attractive to beneficiaries and public and private sector investors due to improved risk sharing and project performance, and thus help the instruments to provide long-term growth potential;

21. Notes that take-up of financial instruments can be improved through investment partnerships, and that public-private partnerships improve synergies between funding sources and maintain the necessary balance between private and public interests; stresses that the use of financial instruments in the context of the community-led local development (CLLD) and integrated territorial investment (ITI) initiatives should also be encouraged;

22. Welcomes the existing technical assistance practices provided by the Commission and by the EIB Group through the fi-compass platform; regrets that the on-the-ground support services to authorities and especially to recipients of financial instruments, including EFSI, are limited, while many local and regional authorities have encountered technical difficulties and a lack of capacity and know-how to utilise financial instruments effectively; calls for technical assistance, which should be directed primarily at local or regional stakeholders, as well as at all partners involved, but which should not be used to finance the activities of national authorities; calls, in addition, for a joint technical assistance plan by the Commission and the EIB comprising financial and non-financial advisory activities, especially for major projects, as well as capacity-building, training, support and the exchange of knowledge and experience; further calls for a combination of expertise (including legal advice) on the cohesion policy regulations, financial products, state aid and public procurement, targeted at national authorities, fund managers and beneficiaries, while highlighting the importance of avoiding the duplication of structures;

23. Calls on the Commission to raise the profile of ESI Funds’ investments and to make it clearer that EU funding is involved; further calls for adequate and comprehensive information and communication on EU funding opportunities, which would encourage the use of such opportunities for the public and private sector and would target potential beneficiaries and young people in particular;

Towards the right funding mix for the post-2020 period and the future of Cohesion Policy

24. Recognises that challenges such as migration and security or ongoing and future political developments in the EU should not negatively affect the investments through Cohesion Policy or its goals and expected results, especially after the current programming period;

25. Recognises that both grants and financial instruments have their specific roles in Cohesion Policy but that they share the same focus pursued by the 11 thematic objectives, on the way to achieving the five headline targets of the Europe 2020 strategy towards smart, sustainable and inclusive growth; emphasises the need to ensure that financial instruments do not replace grants as the principal tool of cohesion policy, while also stressing the need to maintain the renewable nature of the funds to be made available for reinvestment on the basis of the sectors and actions they can support;

26. Highlights that financial instruments perform better in well-developed regions and metropolitan areas, where financial markets are better developed, whereas outermost regions and regions with high harmonised unemployment rates and low population density encounter difficulties in attracting investment, while grants, for their part, address regional structural issues and regional balanced financing; notes that the success of financial instruments depends on a number of factors and no general conclusions can be drawn on the basis of one criterion; notes that binding targets for the use of financial instruments in post-2020 cohesion policy cannot be considered a viable option; notes that increasing the share of financial instruments should not influence the non-refundable financial contributions as this would hinder the balance; emphasises that in a number of public policies grants have to dominate, while financial instruments can play complementary roles in full compliance with appropriate ex-ante assessment and market analysis; calls for the further promotion of financial instruments in Interreg programmes with a view to making them more consistent with the objectives of European Territorial Cooperation;

27. Recalls that existing experience in delivery of ESI Funds indicates that the funding mix of grants and financial instruments addresses country-specific realities as well as the gaps in social, economic and territorial cohesion; emphasises that the funding mix cannot result in a one-size-fits-all solution owing to a number of factors: geographic region, policy area, beneficiary type and size, administrative capacity, market conditions, the existence of competing instruments, business environment and fiscal and economic stance;

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28. Instructs its President to forward this position to the Council, the Commission and the national parliaments of the Member States.

EXPLANATORY STATEMENT

Definitions, programming and implementation of financial instruments (FIs)

Delivery methods of EU Cohesion Policy consist mainly of a mix of grants and financial instruments (microfinance, loans, guarantees, equity and venture capital), invested through the ESI Funds under shared management (involving national authorities and intermediaries) or centrally managed by the Commission and the EIB Group.

According to Article 2(p) of the Financial Regulation, 'financial instruments' means 'Union measures of financial support provided on a complementary basis from the budget in order to address one or more specific policy objectives of the Union. Such instruments may take the form of equity or quasi−equity investments, loans or guarantees, or other risk−sharing instruments, and may, where appropriate, be combined with grants'.[1]

2007-2013 programing period

The performance of Cohesion Policy through the turbulent financial and economic period after 2008 appeared as solid proof of EU's ability to support recovery and growth objectives. According to data provided by the European Commission, Cohesion Policy in the form of grants and financial instruments resulted in: approximately 15 million participants in ESF projects and measures, 400,000 direct investments in SMEs and support to 121,400 start-ups, creation of 41,600 new long-term research jobs and funding for 94,955 research projects, 4,900 km of newly-built roads and 28,500 km of reconstructed roads, 1,100 km of newly-built railways and 4,000 km reconstructed, production of 3,855 MW of renewable energy capacity, additional 8.3 million EU citizens connected through broadband and over 6.8 million EU citizens benefitting of wastewater projects[2].

In the framework of the last programming period, financial instruments were deployed through the ERDF and the ESF. 25 Member States took advantage of such instruments. In total 1,025 ERDF and ESF financial instruments were established in the EU and in 2014 approximately €16 billion from existing operational programmes were contributed to the available instruments. Alongside ESI Funds financial instruments, the EU budget contributed to 21 financial instruments managed directly or indirectly by the Commission. In 2007-2013 the overall amount allocated to the 21 financial instruments was approximately €5.5 billion targeted at areas such as research, SMEs and industry, education and culture, etc.[3]

2014-2020 programming period

The current programming period came with a number of improvements. The Common Provision Regulation (CPR) introduced enhanced ESI Funds delivery through grants and financial instruments and allowed for deployment of financial instruments also through the Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and the

[1] http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012R0966&from=en
[2] http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp1_synth_report_en.pdf
[3] http://www.eca.europa.eu/Lists/ECADocuments/SR16_19/SR_FIN_INSTRUMENTS_EN.pdf

European Maritime and Fisheries Fund (EMFF)[1].

The CPR arranges shared management implementation through several methods. Article 38(1)(a) and (b) of the CPR allows for financial contributions to Union-level financial instruments and national, regional, transnational or cross-border financial instruments. Article 38(3)(a) introduces off-the-shelf instruments – standardised conditions for different products (SME loan/guarantee/equity instruments) offered by entrusted entities. Article 38(4)(a) allows for investment in capital (shares) of existing or newly-established entities dedicated to delivery of financial instruments to final recipients. Entities such as the EIB, international financial institutions or financial institutions in the Member States are eligible for implementation tasks. Article 38(4)(c) enables delivery of loan and guarantee products directly through the managing authorities.[2]

The CPR also represents a new chapter regarding the role of the EIB in Cohesion Policy, The roles and participation of the EIB include lending, advisory and technical assistance, capacity building and mandate management. Through loans, the EIB provides co-financing for Cohesion Policy projects. Lending includes direct loans, global loans, framework loans and structural programme lending. In addition to lending, the EIB provides consultations to Member States in the process of setting up operational programmes. Apart from direct co-financing with ESI Funds, EIB lending contributes to attracting other investors to projects in less-advantaged regions by reducing risk. As a complementary support to Cohesion Policy objectives, the EIB contributes significantly to the management and implementation of EU-wide instruments such as EFSI, COSME, INNOVFIN and CEF. Significant advisory role of the EIB is involved in supporting national and local authorities in increasing the quality of the projects, especially in the context of investments through equity, loans and loan guarantees for sectors including regional, urban renewal and environmental.[3]

Financial instruments' performance

Performance of financial instruments' products in Cohesion Policy has been a long-standing discussion. Evidence from the last programming period suggests positive contribution to Cohesion Policy implementation and a number of benefits: Financial instruments can increase the impact of ESI Funds and leverage resources, the revolving nature of the instruments improves effectiveness and efficiency of operations with EU investments, projects benefit from improved quality (bankable projects) due to the fact that investment has to be repaid in the future, increased flexibility through a wide range of instruments for policy delivery and private sector involvement in the form of co-investment and know-how.[4]

Alongside the evident results and benefits, experience shows that financial instruments were susceptible to shortfalls and suffered certain issues in the near past. In the 2007-2013 period, a significant number of ERDF and ESF financial instruments were oversized and experienced low disbursement rates. For the 2014-2020 programming period this issue is mitigated by the CPR. During the last programming period, financial instruments under shared management were not very successful in attracting private capital. Financial instruments delivered through

[1] http://www.eca.europa.eu/Lists/ECADocuments/SR16_19/SR_FIN_INSTRUMENTS_EN.pdf
[2] http://eur-lex.europa.eu/eli/reg/2013/1303/oj
[3] http://www.europarl.europa.eu/RegData/etudes/STUD/2016/563410/IPOL_STU(2016)563410_EN.pdf
[4] http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/fi_esif_2014_2020.pdf

ERDF and ESF operational programmes were not been very successful in providing revolving financial support. Cost effectiveness depends on management cost (expenses for attracting investors, legal and audit services) and fees (compensation for providing the services). Evidence from the 2007-2013 programming period revealed high management costs and fees, especially given the actual disbursement to final recipients. Commission data indicated that management costs and fees equalled 12% of payments to beneficiaries. In the current programming period, such costs were capped at half the amounts. Another issue with financial instruments turned out to be the market assessment for FIs in 2007-2013, which was generally too high. In 2014-2020 period, this problem was addressed through a mandatory detailed ex-ante assessment for shared management investments. In 2007-2013 ERDF and ESF FIs were fragmented and much smaller than centrally-managed funds or private investment funds. The calculation of the leverage effect following the investment through financial instruments turned out to be another issue due to the inclusion of national co-financing in the overall leverage, which distorts the ratio. [1]

Aggregated Commission data at the end of 2015 indicated additional issues in the process of implementing financial instruments. Deployment of financial instruments across the EU had a very divergent pattern. Some countries had not yet completed ex-ante assessments while other Member States experienced a second revolving of the investments. Member States performance in completion of the ex-ante assessment and signature of the funding agreement was very divergent across the EU - from 26 to 637 days. There is no up to date data on the progress of the abovementioned issues and the number of inconsistencies in data reporting shows the need to improve reporting. The Commission took action to improve reporting in the current programming period but results are still to confirm actual improvement.[2]

Synergies between ESI Funds grants, financial instruments and combinations of both

The European Parliament has been consistent in requesting improved framework for synergies between ESI Funds and other investments through the EU budget. For the current programming period, Article 37(7) of the CPR provides for combining financial instruments with technical support, interest rate subsidies, and guarantee fee subsidies under a single operation. Article 37(8) of the CPR allows combinations of financial instruments with other ESI Funds programme or another financial instrument at the level of final recipients.[3]

At the level of final beneficiaries, applicable rules provide for four options: A financial instrument can be combined with a grant from the same ESI Funds programme or from a different programme (FI ESIF + G ESIF); an ESI Funds' financial instrument can be combined with a financial instrument from another or the same ESI Funds' programme; a financial instrument from an ESI Funds' programme can be combined with a grant supported by the Union (FI ESIF + G non-ESIF); a financial instrument from an ESI Funds' programme can be combined with another financial instrument supported by the Union (FI ESIF + FI non-ESIF).[4]

In the context of synergies, the abovementioned combinations represent facilitation. However,

[1] http://www.eca.europa.eu/Lists/ECADocuments/SR16_19/SR_FIN_INSTRUMENTS_EN.pdf
[2] http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/summary_data_fi_1420_2015.pdf
[3] http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/guidance_combination_support_en.pdf
[4] http://ec.europa.eu/regional_policy/sources/thefunds/fin_inst/pdf/combination_support_en.pdf

no conclusions can be made now, since it is too early to evaluate the effectiveness and the level of burden on authorities and recipients.

The vast range of opportunities provided by ESI Funds in the form of grants, financial instruments and synergies require adequate advisory support in the form of technical assistance such as workshops, exchange of experience, guidance, training, online resources, help desk, conferences and seminars. In the 2007-2013 programming period, there were specific obstacles to technical assistance delivery. Some of the reasons for weak performance of advisory services were insufficient time, no agreement on the needs, no provider, unrecognised needs or that public funds were not available.[1]

In the case of grants, the managing authorities provide such support, while ESI Funds investments delivered through financial instruments take advantage of the *fi-compass* platform. It was introduced for the first time for the 2014-2020 programming period to support ESIF managing authorities. The platform aims to provide technical assistance on behalf of the Commission to the Member States. On the one hand, it delivers help for all Member States and types of FIs in the form of best practice, networking, training, guidance. On the other, *fi-compass* provides assistance responding to stakeholder proposals, including ex-ante assessment for FIs.[2]

[1] http://www.eib.org/attachments/documents/jessica_stocktaking_final_report_en.pdf
[2] https://www.fi-compass.eu/

27.3.2017

OPINION OF THE COMMITTEE ON BUDGETS (*)

for the Committee on Regional Development

on the right funding mix for Europe's regions: balancing financial instruments and grants in EU cohesion policy
(2016/2302(INI))

Rapporteur (*): Eider Gardiazabal Rubial

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

SUGGESTIONS

The Committee on Budgets calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Emphasises that financial instruments (FIs) act in situations of market failure or suboptimal investment, making it possible to mobilise funding for projects which cannot secure adequate support from the market; notes that they provide complementarity to the grant financing in order effectively to address the EU's policy objectives and to act as a catalyst for further investments; notes that in the 2014-2020 programming period, FI support under cohesion policy can be provided for all thematic objectives and all ESI Funds; emphasises that FIs do not have the same aims as grant schemes and cannot fund the same investments efficiently; insists that, in order successfully to achieve Europe 2020 strategy objectives, EU-supported FIs should not only be economically sustainable, but should also contribute to a smarter, greener and more inclusive EU; points out, furthermore, that the performance of FIs cannot be assessed on the basis of an appraisal of their financial impact alone;

2. Emphasises that the European Fund for Strategic Investments (EFSI) must not substitute the ESI Funds, but should intervene in an additional and complementary way to deliver on the Europe 2020 objectives by creating quality jobs and promoting inclusive and sustainable real-economy growth, and a dynamic labour market, in Europe, and to reduce regional disparities and enhance cohesion;

3. Notes that, according to estimations, allocations in FIs from the European Regional Development Fund (ERDF), the Cohesion Fund (CF) and the European Social Fund (ESF) would almost double between 2007-2013, when they amounted to EUR 11.7 billion, and 2014-2020, when they would amount to EUR 20.9 billion; notes that the FIs would

therefore represent 6 % of the overall cohesion policy allocation in 2014-2020 of EUR 351.8 billion, compared with 3.4 % of the EUR 347 billion allocated in 2007-2013;

4. Notes that the allocations from the CF amounts to approximately EUR 75 billion, representing 11.8% of the total FI's allocations in the 2014-2020 period; welcomes the allocation increase from EUR 70 billion in the 2007-2013 period to EUR 75 billion in the 2014-2020 period; highlights the fact that allocation to the CF should not be diminished, taking into consideration that approximately 34 % of the EU's population live in regions that receives aid from the CF;

5. Notes that by 31 December 2015, only one Member State had reported its intention to combine support from FIs with grants on the basis of Article 37 of the Common Provision Regulation (CPR) and that the intention of the Member States to contribute to FI under Articles 38(1) and 39 CPR was very low; observes that the correct implementation of FIs still causes challenges owing to inconsistent rules (cohesion policy, state aid, public procurement regulations), and believes that there is scope for more synergies between the use of FIs and other types of support; calls, in this regard, on the Commission to study new ways of engaging with the Member States, and with regional and local authorities, with a view to increasing absorption rates and allowing for easier and more transparent use of FIs;

6. Takes note of the total volume of EUR 5 571.63 million of operational programme contributions committed to FIs by 21 Member States by 31 December 2015 in the current Multiannual Financial Framework (MFF), EUR 5 005.25 million of which are from the ERDF and the CF;

7. Is alarmed by the significant delays in the implementation of cohesion policy operational programmes under the current financial perspective; urges the Commission to identify the causes of these delays, and the Member States to tackle them promptly, in particular when it comes to the designation of managing, certifying and auditing authorities; is seriously concerned about the strong possibility of a repetition of the accumulated backlog of unpaid invoices in the second half of the current MFF, as this could seriously impact other EU-funded policies; takes the view that challenges such as migration and security, and current or future political developments in the EU, including the practical implications of Brexit, should not have an adverse effect on investments made under the cohesion policy; emphasises that all necessary steps should be taken to mitigate the negative effects of delayed implementation, especially regarding the risk of limited use and impact of FIs; calls on the Commission to provide tailor-made technical assistance to Member States' regional and local authorities seeking effective ways of simplifying financial management and control systems, and effective and efficient use of FIs;

8. Welcomes the Commission's actions in optimising regulation; emphasises that, despite the improvements, complexity still exists and that issues such as the long set-up time, and the administrative burden for recipients, are disincentives to use financial instruments; calls on the Commission to work closely with the EIB and the EIF to make access to ESI Fund microcredits, loans, guarantees, and equity and venture capital as easy as using grants;

9. Invites the Commission to continue and present annual reports containing concrete information regarding the financing and implementing of financial instruments for the programming period 2014-2020, highlighting the areas that need improvement and

offering recommendations in a timely fashion, based on the evolutions of the programme;

10. Stresses the need for more information sessions to be provided to the managing authorities by Commission expert groups such as the Expert group on European Structural and Investment Funds (EGESIF) to ensure better data coverage in reporting requirements, provide advice on tackling the issues causing significant delays in implementation of programmes, and facilitate the exchange of experiences, and encourage good practices, in the implementation of the programme, with a view to avoiding a high backlog of unpaid bills in the second part of the 2014-2020 MFF;

11. Notes that the use of FIs, as well as the implementation of rules governing FIs at a local level, requires the safeguarding of democratic control, in particular by Parliament, as well as of timely and transparent reporting and accountability; emphasises that further harmonisation is needed of the rules governing the combining of different ESI Funds, as well as of the rules governing the mixing of ESI Funds with instruments such as Horizon 2020 and EFSI; believes that the revision of the Financial Regulation and of the ‘omnibus regulation’ could provide an opportunity to streamline reporting on FIs, thereby providing a better basis for assessing additionality and complementarity between different forms of EU support, in particular between cohesion funds and the EFSI; stresses the importance of making active and efficient use of the EU budget, and welcomes, therefore, all measures aimed at preventing overlaps between EU instruments and at ensuring full coherence and synergy;

12. Encourages the Commission, when preparing the proposal for the next MFF, to conduct an in-depth analysis of the use of the financial instruments since the beginning of the current programming period; stresses that when assessing a financial instrument, the leverage dimension cannot be the only evaluation criteria used; is of the firm opinion that combining various EU resources under harmonised management rules could help optimise the synergies between available sources of financing at EU level; encourages the Commission to reflect on a proper balance between grants and FI in the next financial perspective, and underlines that increasing the use of financial instruments should not lead to a reduction in the Union budget;

13. Underlines the fact that synergies and complementarities between EFSI and ESIF are instrumental in exploiting the full potential of both, as well as in maximising the impact of investments in the Member States and their regions; takes note of the Commission’s guidelines for combining EFSI and ESIF finances, but underlines the persistent difficulties – linked to the eligibility criteria, the timeframe for reporting and the application of state aid rules – that hinder their combined usage; welcomes the opportunities provided in the Commission’s proposals for revision of the Financial Regulation, and for EFSI 2.0, to address these problems further;

14. Recalls that the social and economic convergence of the EU regions should remain a main priority of the cohesion policy; points out that an assessment of the right funding mix should also include an analysis of how different instruments contribute to the goal of reducing inequalities between regions.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	6.3.2017
Result of final vote	+: 28 –: 2 0: 1
Members present for the final vote	Jonathan Arnott, Jean Arthuis, Richard Ashworth, Reimer Böge, Lefteris Christoforou, Gérard Deprez, José Manuel Fernandes, Eider Gardiazabal Rubial, Esteban González Pons, Ingeborg Gräßle, Monika Hohlmeier, Bernd Kölmel, Vladimír Maňka, Siegfried Mureşan, Liadh Ní Riada, Jan Olbrycht, Paul Rübig, Jordi Solé, Patricija Šulin, Indrek Tarand, Tiemo Wölken, Stanisław Żółtek
Substitutes present for the final vote	Jean-Paul Denanot, Anneli Jäätteenmäki, Andrey Novakov, Tomáš Zdechovský
Substitutes under Rule 200(2) present for the final vote	Inés Ayala Sender, Olle Ludvigsson, Ulrike Rodust, Birgit Sippel, Kathleen Van Brempt

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

28	+
ALDE	Jean Arthuis, Gérard Deprez, Anneli Jäätteenmäki
ECR	Bernd Kölmel
GUE/NGL	Liadh Ní Riada
PPE	Reimer Böge, Lefteris Christoforou, José Manuel Fernandes, Esteban González Pons, Ingeborg Gräßle, Monika Hohlmeier, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Paul Rübig, Patricija Šulin, Tomáš Zdechovský
S&D	Inés Ayala Sender, Jean-Paul Denanot, Eider Gardiazabal Rubial, Olle Ludvigsson, Vladimír Maňka, Ulrike Rodust, Birgit Sippel, Kathleen Van Brempt, Tiemo Wölken
Verts/ALE	Jordi Solé, Indrek Tarand

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EFDD	Jonathan Arnott
ENF	Stanisław Żółtek

1	0
ECR	Richard Ashworth

Key to symbols:
+ : in favour
- : against
0 : abstention

1.3.2017

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Regional Development

on the right funding mix for Europe's regions: balancing financial instruments and grants in EU cohesion policy
(2016/2302(INI))

Rapporteur: Miguel Viegas

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

A. whereas the second pillar of the common agricultural policy (rural development) is an essential element in preserving and strengthening social and territorial cohesion and must therefore continue to be pursued after 2020 and be protected and enhanced in the next round of CAP reform;

B. whereas rural areas are often isolated and suffer from shortcomings that undermine the development of infrastructure and agricultural production; whereas account must be taken of the regions' respective specialities, characteristics and differences and of the need to make small and medium-sized farms more competitive and viable, to encourage entrepreneurship and job creation and to curb depopulation and population ageing in rural areas;

C. whereas the traditional European production model needs to be enhanced and supported in its transition to innovative, resource-efficient, climate-change-adapted methods of production, based on small and medium-sized family farming as a guarantee of agricultural viability and social and environmental sustainability;

D. whereas in certain regions, such as mountain areas and islands, agriculture is the main economic activity and its development is of fundamental importance for achieving the territorial cohesion objectives;

E. whereas EU cohesion policy has a significant role to play in the achievement of social, economic and territorial cohesion and of multi-layered agriculture;

F. whereas the current crisis in the agricultural sector, a lack of profitability with income losses, and increased price instability stemming from income inequality throughout the food chain led to the disappearance of 2.4 million farms in the EU between 2005 and 2010, most of which were small farms, resulting in the loss of a large number of jobs in rural areas;

G. whereas this sector requires further restructuring to improve farmers' bargaining position in the supply chain and promote and enhance climate-change-adapted, environment-friendly production which improves soil quality, preserves biodiversity and thereby ensures Europe's long-term food security;

H. whereas, in addition to support from both pillars (rural development and direct payments), the sector requires a mix of different tools, including financial instruments and grants;

I. whereas although some argue that financial instruments should be used in particular in less-developed regions in order to help unlock their development potential, in reality the appetite for private-sector engagement is rather low owing to the lack of financially viable projects in such regions;

1. Stresses the role and potential advantages offered to agricultural, rural micro, small and medium-sized enterprises by the financial instruments available under the European Agricultural Fund for Rural Development (EAFRD), whether in the form of loans, guarantees or capital funds, thereby improving access to credit, while bearing in mind the norms of prudent lending;

2. Notes, nevertheless, that the full potential benefits of the leverage provided by these instruments have not been realised;

3. Points out that in many situations lack of profitability and land access, in addition to lack of access to credit, poses an obstacle to investment, in particular for young, small and newly established farmers and rural SMEs, either because of the high costs or because of the guarantees required by the financial system, hampering innovation and competitiveness both at farm level and at the level of the wider rural economy;

4. Stresses that financial instruments and grants must be effectively coordinated to stimulate investment, especially in agricultural innovation, and calls for policies that facilitate access to credit for young farmers and small agricultural holdings;

5. Notes that, up to now, the level of use made of CAP financial instruments has been low, and calls for consideration to be given to further actions to ensure that the opportunities available via these instruments are better suited to the agricultural sector and further simplifying the procedures; believes, however, that consideration must be given also to the substantial loans that farmers already draw down to complement funds received under the second pillar;

6. Notes that complex rules diminish the attractiveness of funding in the agricultural sector, and stresses the need for reasonable conditionality to avoid unnecessary administrative burdens;

7. Considers therefore that information and training on financial instruments should be

provided at regional level in order to increase awareness of these financial options, and stresses that Member States and regional authorities have a key role to play in facilitating and communicating these options to rural communities, farmers and SMEs while encouraging the exchange of best practices;

8. Encourages greater involvement on the part of regional and local authorities in the distribution and use of funds, which is essential for improving the position of farmers, and reiterates the importance of the LEADER programme in that context;

9. Notes the various strengths and weaknesses of grants and financial instruments and what they may mean for the sector in terms of accessibility, complexity, risk, implementation costs and their applicability in meeting specific challenges or broader developmental goals;

10. Stresses the complementary nature of these instruments in relation to income support, and draws attention to the need to ensure that the former do not replace the latter, which would be seriously damaging for farming and the rural environment; emphasises that grant funding will continue to be essential in order to achieve the EAFRD objectives, meaning that grants and financial instruments must be applied together in a balanced way in rural development policy, to help enhance project performance;

11. Underlines the importance of a continued mix of grants, financial instruments and repayable assistance as an effective and efficient form of support for competitiveness and cohesion in rural areas;

12. Calls on the Commission and the Member States to ensure that delays in payments that farmers are entitled to under the CAP are avoided;

13. Stresses the role of the European Investment Bank (EIB) in the development of financial instruments, and notes that the EIB has started working with a number of lenders in certain Member States to promote generational renewal in the agricultural sector;

14. Stresses the importance of better informing farmers and regional and local administrations about the EIB's key role in supporting and developing the rural economy and on how to benefit from the innovative financial instruments that are already in place in the framework of national rural development plans with a view to facilitating access to credit for young farmers;

15. Supports the establishment by the EIB of a multi-regional investment platform for agriculture eligible for Rural Development Programme (RDP) funding;

16. Calls for these instruments to be implemented in such a way that they can support individual, collective and region-specific projects geared to financing basic infrastructure in the field of irrigation, transport, processing, storage, marketing, horticulture and forestry development, including the development of wood and non-wood forest products as well as cross-border projects, short supply chains, closed production cycles and marketing measures carried out by farmers and their cooperatives, with maturity-based financial instruments that reflect the real economic cost of each project;

17. Calls for public and European support measures to encourage the uptake of and access to

finance for climate change investment projects in rural areas in a bid to meet EU environmental objectives;

18. Questions the proposed reliance on loans in a climate of extreme debt among farmers, who often stand little chance of paying off that debt;

19. Notes the harsh financial situation farmers find themselves in as food prices have remained low, unlike prices in all other sectors of the economy;

20 Notes in particular that farmers' average annual incomes in the EU have remained unchanged, or in some cases declined, over the past 10 years, compared with continuously increasing production costs and an increase in farm debt;

21. Calls on the Commission and the Member States therefore to take seriously the need for remunerative prices for produce;

22. Considers that, rather than reducing evaluation obligations for authorities, we need additional data to be gathered and analysis to be carried out to justify the use of financial instruments and to prevent their undetermined, 'blank-cheque' use;

23. Stresses that significantly improving the evidence base must be a pre-requisite for promoting or even requesting an increased use of financial instruments;

24. Emphasises that EU cohesion policy and the associated financial instruments and grants must continue to underpin the policy of promoting the creation of infrastructure, schools and colleges, healthcare, social care and childcare facilities, high-speed internet access and the establishment and development of small and medium-sized enterprises (SMEs) in rural areas;

25. Observes that, in reality, rural development is a European policy aimed at helping rural areas in the European Union to overcome disadvantage, and is therefore a fundamental element of European cohesion; considers, therefore, that, as the second pillar of the common agricultural policy, rural development should continue to be pursued after 2020 as well, and that appropriate EU funding should be provided for it, i.e. more than at present;

26. Points out that active organisations in rural development (such as Local Action Groups) might face difficulties in accessing bank guarantees, which is a prerequisite for benefiting from advance payments on running and animation costs; considers therefore that a guarantees programme as regards those advances would be beneficial;

27. Reaffirms the difference between public funds being used for public goods or for the benefit of entire communities or society as a whole on the one hand, and investment in infrastructure on private holdings on the other;

28. Notes the administrative complexity involved in making loans to and collecting debt from a collective or group of farmers; urges therefore a streamlined, simplified approach;

29. Considers that loans are not appropriate for certain types of rural development measures, for example where whole communities benefit, as in the case of community-led local

development (CLLD) or LEADER approaches, or where society in general benefits, as in the case of agri-environmental measures;

30. Notes the difference between larger scale infrastructure projects financed by the structural and cohesion funds on the one hand, and smaller scale investments and grants designed to improve ‘soft’ infrastructure on the other, e.g. bringing soils back to life; notes that the smaller investments can be equally, if not more, effective and less costly and that this approach has been adopted in other related fields of expenditure such as development aid and flood defences;

31. Regrets the low use of the crisis reserve, which is mainly due to budgetary rules, in particular the annuality rule, and to the discretion that the Commission enjoys when it comes to releasing funds from the reserve; calls, therefore, for the crisis reserve to be constituted outside the EU budget and for it to serve as source of funding for crisis management tools.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	28.2.2017
Result of final vote	+: 33 –: 0 0: 6
Members present for the final vote	John Stuart Agnew, Clara Eugenia Aguilera García, Eric Andrieu, José Bové, Daniel Buda, Nicola Caputo, Matt Carthy, Viorica Dăncilă, Michel Dantin, Paolo De Castro, Jean-Paul Denanot, Albert Deß, Jørn Dohrmann, Herbert Dorfmann, Luke Ming Flanagan, Beata Gosiewska, Martin Häusling, Anja Hazekamp, Esther Herranz García, Jan Huitema, Peter Jahr, Ivan Jakovčić, Jarosław Kalinowski, Elisabeth Köstinger, Zbigniew Kuźmiuk, Mairead McGuinness, Ulrike Müller, James Nicholson, Marijana Petir, Laurenţiu Rebega, Bronis Ropė, Czesław Adam Siekierski, Tibor Szanyi, Marc Tarabella, Marco Zullo
Substitutes present for the final vote	Franc Bogovič, Michela Giuffrida, Norbert Lins, Florent Marcellesi, Anthea McIntyre, Sofia Ribeiro, Miguel Viegas
Substitutes under Rule 200(2) present for the final vote	Pilar Ayuso

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

33	+
ALDE	Jan Huitema, Ulrike Müller
ECR	Beata Gosiewska, Zbigniew Kuźmiuk, Anthea McIntyre, James Nicholson
EFDD	Marco Zullo
GUE/NGL	Matt Carthy, Luke Ming Flanagan, Miguel Viegas
PPE	Franc Bogovič, Daniel Buda, Michel Dantin, Albert Deß, Herbert Dorfmann, Esther Herranz García, Peter Jahr, Jarosław Kalinowski, Elisabeth Köstinger, Mairead McGuinness, Marijana Petir, Sofia Ribeiro, Czesław Adam Siekierski
S&D	Clara Eugenia Aguilera García, Eric Andrieu, Nicola Caputo, Paolo De Castro, Jean-Paul Denanot, Viorica Dăncilă, Michela Giuffrida, Susanne Melior, Tibor Szanyi, Marc Tarabella

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6	0
EFDD	Agnew John Stuart
ENF	Rebega Laurentiu
GUE/NGL	Hazekamp Anja
VERTS/ALE	Bové José, Martin Häusling, Bronis Ropė

Key to symbols:
+ : in favour
- : against
0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	21.3.2017
Result of final vote	+: 29 –: 2 0: 2
Members present for the final vote	Pascal Arimont, Franc Bogovič, Andrea Cozzolino, Rosa D'Amato, Krzysztof Hetman, Marc Joulaud, Constanze Krehl, Andrew Lewer, Louis-Joseph Manscour, Martina Michels, Iskra Mihaylova, Jens Nilsson, Andrey Novakov, Mirosław Piotrowski, Stanislav Polčák, Liliana Rodrigues, Fernando Ruas, Monika Smolková, Ruža Tomašić, Ramón Luis Valcárcel Siso, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Kerstin Westphal
Substitutes present for the final vote	Andor Deli, Josu Juaristi Abaunz, Ivana Maletić, Tomasz Piotr Poręba, Julia Reid, Davor Škrlec, Damiano Zoffoli, Milan Zver
Substitutes under Rule 200(2) present for the final vote	Luigi Morgano

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

29	+
ALDE	Iskra Mihaylova, Matthijs van Miltenburg
ECR	Andrew Lewer, Mirosław Piotrowski, Tomasz Piotr Poręba, Ruža Tomašić
PPE	Pascal Arimont, Franc Bogovič, Andor Deli, Krzysztof Hetman, Marc Joulaud, Ivana Maletić, Andrey Novakov, Stanislav Polčák, Fernando Ruas, Ramón Luis Valcárcel Siso, Milan Zver, Lambert van Nistelrooij
S&D	Andrea Cozzolino, Constanze Krehl, Louis-Joseph Manscour, Luigi Morgano, Jens Nilsson, Liliana Rodrigues, Monika Smolková, Derek Vaughan, Kerstin Westphal, Damiano Zoffoli
Verts/ALE	Davor Škrlec

2	-
EFDD	Rosa D'Amato, Julia Reid

2	0
GUE/NGL	Josu Juaristi Abaunz, Martina Michels

Key to symbols:
+ : in favour
- : against
0 : abstention