



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Budgetary Control

2011/0283(COD)

1.3.2012

OPINION

of the Committee on Budgetary Control

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk sharing instruments for Member States experiencing or threatened with serious difficulties with respect to their financial stability (COM(2011)0655 – C7-0350/2011 – 2011/0283(COD))

Rapporteur: Crescenzo Rivellini

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SHORT JUSTIFICATION

The European Union is currently being confronted with a persistent economic and financial crisis that is not only affecting the macroeconomic stability of many Member States but also the access to finance across the whole European Union. This is jeopardising the implementation of cohesion policy programmes as the liquidity problems being faced by financial institutions is limiting the amount of financing available for the public and private stakeholders carrying out the underlying projects.

The Rapporteur welcomes the proposal of the European Commission (COM (2011)0655) amending Council Regulation (EC) No 1083/2006 (General Regulation), and notes that the main objective is to improve the access to financing to the promoters of projects in order to allow them to continue the implementation of the Structural Funds and Cohesion Fund programmes on the ground. In order to do so, a risk sharing instrument would be created. Member States would transfer part of their financial allocations into such instrument that would then provide capital contributions to cover expected and unexpected losses of loans and guarantees granted under a risk-sharing partnership with the European Investment Bank and / or other financial institutions with a public policy mission. This would therefore provide additional liquidity to implement infrastructure and productive investments projects without modifying the overall allocation under cohesion policy for the period 2007-2013.

The Rapporteur supports the intention of the Commission to improve the access to finance for promoters of infrastructure and productive investments. Even though agreeing with the overall spirit of the Commission's proposal, the Rapporteur believes that there is a need to introduce a few changes to improve feasibility of the proposal.

First of all, the Rapporteur believes that the lack of liquidity faced by the financial sector is not limited to the countries that have received financial assistance from the European Financial Stabilisation Mechanism or the Balance of Payments mechanism. Therefore, promoters of infrastructure and productive investments in all Member States are seeing their sources of finance reduced. The Rapporteur therefore believes that extending the possibility of setting up such risk sharing mechanisms to all Member States would increase investment in growth and employment throughout the Union by using Structural and Cohesion funds that could otherwise remain unabsorbed by the end of the current programming period.

Furthermore, the Rapporteur believes that, for the proposal to have a real impact on the economy of the Member States deciding to put it in place, it should be applicable both to operations already co-financed by the Structural or Cohesion funds and also to infrastructure and SME operations relevant to the economic recovery of the Member State concerned. The possibility of supporting "infrastructure projects relevant in the context of the economic recovery of the Member States concerned" is already included in the explanatory memorandum of the Commission proposal. The possibility of supporting SME operations will open the possibility to increase the liquidity available to one of the sectors that provides employment to a larger portion of the EU population and which is currently suffering a severe liquidity shortage.

Finally, the Rapporteur believes that, in order to allow for an increased use of the instrument and ensure that the private sector contributes at an appropriate level in the projects supported,

the limitation to supporting only expenditure which is not covered by Article 56 should be removed.

AMENDMENTS

The Committee on Budgetary Control calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation – amending act Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) The serious debt crisis in several Member States calls for new and innovative ways for investing the Structural Funds, which would facilitate their best possible use both in the 2007-2013 and the 2014-2020 programming periods.

Amendment 2

Proposal for a regulation – amending act Recital 13

Text proposed by the Commission

Amendment

(13) In order to alleviate those problems and to speed up the implementation of the operational programmes and projects, as well as to strengthen the economic recovery, it is appropriate that the managing authorities of the Member States having experienced serious difficulties with respect to financial stability and which have been granted financial assistance according to one of the financial assistance mechanisms set out above may contribute financial resources from operational programmes to the establishment of risk sharing instruments providing loans or guarantees or other

(13) In order to alleviate those problems and to speed up the implementation of the operational programmes and projects, as well as to strengthen the economic recovery, it is appropriate that the managing authorities of the Member States having experienced serious difficulties with respect to financial stability and which have been granted financial assistance according to one of the financial assistance mechanisms set out above may contribute financial resources from operational programmes to the establishment of risk sharing instruments providing loans or guarantees or other

financial facilities, in support of projects and operations foreseen under an operational programme.

financial facilities, in support of projects and operations foreseen under an operational programme. ***In addition, infrastructure and productive investment relevant to the economic recovery and job creation in the Member States concerned and compliance with the objectives of the Europe 2020 strategy can also be supported.***

Amendment 3

Proposal for a regulation – amending act

Article 1 – point 2

Regulation (EC) No 1083/2006

Article 36 – paragraph 2a – subparagraph 2

Text proposed by the Commission

Such risk sharing instrument shall be used exclusively for loans and guarantees, as well as other financial facilities, to finance operations co-financed by the European Regional Development Fund or the Cohesion Fund, ***regarding expenditure which is not covered by Article 56.***

Amendment

Such risk sharing instrument shall be used exclusively for loans and guarantees, as well as other financial facilities, to finance operations co-financed by the European Regional Development Fund or the Cohesion Fund, ***or infrastructure, SME projects and productive investment projects relevant to the economic recovery and job creation in the Member States concerned, and to ensure compliance with the objectives of the Europe 2020 strategy. For the Member States meeting one of the conditions set out in the second paragraph of Article 77, such risk sharing instrument shall also be used for operations linked to cohesion policy objectives which are not co-financed by national strategic reference framework (NSRF) programmes.***

Justification

It is important to ensure that it is clear that the risk sharing instruments comply with the objectives of the EU2020 Strategy because they are serving broader goals than the ones of the ERDF and the Cohesion Fund.

Amendment 4

Proposal for a regulation – amending act

Article 1 – point 2

Regulation (EC) No 1083/2006

Article 36 – paragraph 2a – subparagraph 5 – point a

Text proposed by the Commission

(a) traceability and accounting, information on the use of the funds and monitoring and control systems; and

Amendment

(a) traceability and accounting, ***governance structure in close consultation with the Member State and participating financial institutions***, information ***on the leverage ratio***, on the use of the funds and ***on*** monitoring and control systems; and

PROCEDURE

Title	Amendment of Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk sharing instruments for Member States experiencing or threatened with serious difficulties with respect to their financial stability
References	COM(2011)0655 – C7-0350/2011 – 2011/0283(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Committee(s) asked for opinion(s) Date announced in plenary	CONT 15.12.2011
Rapporteur(s) Date appointed	Crescenzo Rivellini 29.11.2011
Date adopted	29.2.2012
Result of final vote	+: 14 –: 11 0: 0
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Andrea Češková, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Ville Itälä, Cătălin Sorin Ivan, Bogusław Liberadzki, Monica Luisa Macovei, Jan Mulder, Eva Ortiz Vilella, Crescenzo Rivellini, Theodoros Skylakakis, Bart Staes, Søren Bo Søndergaard, Michael Theurer
Substitute(s) present for the final vote	Philip Bradbourn, Derk Jan Eppink, Lucas Hartong, Edit Herczog, Véronique Mathieu, Derek Vaughan