



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Economic and Monetary Affairs

2011/0283(COD)

13.3.2012

OPINION

of the Committee on Economic and Monetary Affairs

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: Rolandas Paksas

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SHORT JUSTIFICATION

The European Commission proposal comes at the time when the implementation of the Structural and Cohesion Funds programmes encounters serious problems in a number of Member States. The sustained financial and economic crisis has severely damaged Member States budgets, the pressure on national financial resources available to finance public investments is constantly increasing and the conditions for the private and particularly the financial sector participation are deteriorating.

The main objective of the Commission proposal is therefore to help the Member States that have been most affected by the crisis to continue with the implementation of the Structural and Cohesion Funds programmes on the ground, hence injecting funds into economy. By allowing for a possibility to transfer a part of EU funds allocations to set up risk sharing instruments the Commission aims to facilitate the provision of loans and guarantees by the European Investment Bank or by other international financial institutions to co-finance private contributions to projects implemented with public support.

The Rapporteur welcomes the Commission proposal and its potentially positive impact on the EU economy and the absorption of the EU Funds. In order to ensure its most optimal and rapid application, the Rapporteur proposes two amendments to the text of the proposal.

Firstly, the Rapporteur believes that in the current adverse economic environment all EU Member States - whether already receiving financial assistance from the EU mechanisms or facing difficulties with respect to their financial stability and struggling to attract private sector capital to complement increasingly limited public financial resources shall have a possibility to benefit from the introduction of risk sharing instruments. Such instruments would allow to increase investment in growth and employment generating projects by using the Structural and Cohesion Funds which may remain unabsorbed towards the end of the 2007-2013 programming period.

Secondly, the Rapporteur agrees with the Commission that the priority under risk sharing instruments should be given to financing of the operations co-financed by the Structural or Cohesion Funds; however, other infrastructure projects relevant to the economic recovery and creation of employment in the Member States should also be eligible (the explanatory memorandum of the Commission proposal already includes such possibility). In particular, some revenue generating infrastructure projects which in non-crisis situation would have obtained financing from external sources (and therefore not eligible or not included in the operational Structural and Cohesion Funds programmes for 2007-2013) but under current circumstances unable to find financing could benefit from the inclusion in the risk sharing instruments without having to undergo a time-consuming amendment of the operational programmes.

Lastly, taking into account the success of similar instruments in other sectors (e.g. Risk-Sharing Finance Facility for R&D) the Rapporteur hopes that the establishment of such temporary risk sharing instrument will prove equally beneficial to the Member States that decide to use it in the present crisis situation and considers it valuable after the current programming period expires to explore possibilities of creating an analogous permanent risk sharing instrument to benefit all Member States under clearly defined conditions.

AMENDMENTS

The Committee on Economic and Monetary Affairs 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

Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) The serious debt crisis in several programme countries calls for new and innovative ways for investing the Structural Funds, which will facilitate their best possible use in the 2007 to 2013 programming period.

Amendment 2

Proposal for a regulation

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

(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, ***temporarily and without prejudice to the 2014 to 2020 programming period***, 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.

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 ***impending operations that are part of an operational programme and that are*** co-financed by the European Regional Development Fund or the Cohesion Fund, ***or infrastructure projects relevant in the context of the economic recovery and job creation in the Member States concerned,*** regarding expenditure which is not covered by Article 56.

Justification

The intention is to allow for financing of other important infrastructure projects having potential to generate growth and jobs without having to undergo a time-consuming amendment of the operational programmes. The focus here is on revenue-generating infrastructure projects which in non-crisis situation would have obtained financing from external private sources and therefore not eligible or not included in the operational Structural and Cohesion Funds programmes for 2007-2013, but under current circumstances unable to find funding.

Amendment 4

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EC) No 1083/2006

Article 36 – paragraph 2a – subparagraph 3

Text proposed by the Commission

The risk sharing instrument shall be implemented by the Commission within the framework of indirect centralised management in accordance with Article

Amendment

The risk sharing instrument shall be implemented by the Commission within the framework of indirect centralised management in accordance with Article

54(2) of Regulation (EC, Euratom) No 1605/2002.

54(2) of Regulation (EC, Euratom) No 1605/2002. ***The Commission's selection of an operation shall take place in accordance with Article 41(1) and shall demonstrate positive impacts on local economies and labour markets.***

Amendment 5

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EC) No 1083/2006

Article 36 – paragraph 2a – subparagraph 3a (new)

Text proposed by the Commission

Amendment

The Commission shall set the deadlines for the implementation of the respective risk sharing instruments.

Justification

Although the request from the Member State concerned will be accepted till the end of 2013, the implementation of the risk sharing instruments shall be closed in the foreseen future specified by the Commission.

Amendment 6

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EC) No 1083/2006

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

Text proposed by the Commission

Amendment

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

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

Amendment 7

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EC) No 1083/2006

Article 36 – paragraph 2a – subparagraph 7

Text proposed by the Commission

Any amount left-over after the completion of an operation covered by the risk sharing instrument may be reused, at the request of the Member State concerned, within the risk-sharing instrument, if the Member State still meets one of the conditions set out as specified in Article 77(2). If the Member State no longer meets those conditions, the amount left-over shall be considered as assigned revenue within the meaning of Article 18 of the Financial Regulation. At the request of the Member State concerned, additional commitment appropriations generated by this assigned revenue shall be added the following year to the cohesion policy financial allocation of the Member State concerned.

Amendment

Any amount left-over after the completion of an operation covered by the risk sharing instrument may be reused, at the request of the Member State concerned, within the risk-sharing instrument, if the Member State still meets one of the conditions set out as specified in Article 77(2). If the Member State no longer meets those conditions, the amount left-over shall be considered as assigned revenue within the meaning of Article 18 of the Financial Regulation. At the request of the Member State concerned, additional commitment appropriations generated by this assigned revenue shall be added the following year to the cohesion policy financial allocation of the Member State concerned. ***The amount left over on 31 December 2013 shall be transferred to the budget of the European Union.***

Justification

Member State actually gives up its cohesion policy allocation due to the absorption problems. If the respective allocation is not absorbed before the next programming period, it shall be transferred to the EU budget.

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	ECON 25.10.2011	
Rapporteur(s) Date appointed	Rolandas Paksas 25.10.2011	
Discussed in committee	24.1.2012	12.3.2012
Date adopted	12.3.2012	
Result of final vote	+: 40 -: 1 0: 3	
Members present for the final vote	Burkhard Balz, Udo Bullmann, Pascal Canfin, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Diogo Feio, Markus Ferber, Elisa Ferreira, Jean-Paul Gauzès, Sven Giegold, Liem Hoang Ngoc, Gunnar Hökmark, Wolf Klinz, Jürgen Klute, Philippe Lamberts, Werner Langen, Hans-Peter Martin, Arlene McCarthy, Sławomir Witold Nitras, Ivari Padar, Antolín Sánchez Presedo, Olle Schmidt, Edward Scicluna, Peter Simon, Peter Skinner, Theodor Dumitru Stolojan, Ivo Strejček, Kay Swinburne, Sampo Terho, Marianne Thyssen, Ramon Tremosa i Balcells, Corien Wortmann-Kool, Pablo Zalba Bidegain	
Substitute(s) present for the final vote	Philippe De Backer, Sari Essayah, Vicky Ford, Krišjānis Kariņš, Olle Ludvigsson, Thomas Mann, Gay Mitchell, Theodoros Skylakakis	
Substitute(s) under Rule 187(2) present for the final vote	Mario Mauro	