



2018/0229(COD)

27.11.2018

OPINION

of the Committee on Regional Development

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

on the proposal for a regulation of the European Parliament and of the Council establishing the InvestEU Programme
(COM(2018)0439 – C8-0257/2018 – 2018/0229(COD))

Rapporteur for opinion: Kerstin Westphal

PA_Legam

SHORT JUSTIFICATION

The EU Budget aims to improve the quality of life in the European Union, for all people and in all regions, through the European Structural and Investment Funds (ESIF). The InvestEU programme, on the other hand, is supposed to provide an EU budget guarantee to support investment and access to finance in the EU.

This opinion focuses on the relation between these two investment instruments, as well as on aspects regarding the role of regions in InvestEU (including the role of local and regional authorities and of implementing partners next to the EIB).

For the MFF 2021-2027, the European Commission proposes a reduction of the resources for all ESI Funds by 10% as compared to the current MFF. Although additional financial means are foreseen for the European Regional and Development Fund (ERDF), the Cohesion Fund (CF) is reduced by almost half and the resources for cross-border cooperation (INTERREG) represent only 2,5% of the total allocation of the Cohesion Policy. This is the state of play at present, which as the European Parliament – we want to change.

Cohesion Policy is the only EU policy that enables Member States and regions to implement genuine development strategies for different regions and to be fully involved in European policies, such as the internal market. It constitutes the main EU tool for economic, social, territorial cohesion and a long-term investment policy, implemented through the national and regional operational programmes.

The proposal for a Common Provisions Regulation, CPR (2018/0196 (COD)) – the main regulation for ERDF, CF, the European Social Fund (ESF+) and the European Maritime and Fisheries Fund (EMFF) – provides that Cohesion Policy resources from the ESI Funds can be allocated to InvestEU or transferred to other funds or instruments. Five percent of the total allocation from Funds under shared management (and, in duly justified cases, even a higher percentage) can contribute to InvestEU.

The rapporteur opposes this strategy. In her opinion, this will only encourage Member States to withdraw their resources from Cohesion Policy projects. As the proposed rules governing the amounts transferred to InvestEU are simpler (e.g. no state aid rules apply), Member States may use this path and lose sight of regional needs best defended by the present cohesion policy.

Following the line taken by the co-rapporteurs on the CPR, opposing the suggested contribution of the Funds under shared management to InvestEU (Article 10 CPR), the rapporteur suggests to delete the so-called “Member State compartment” of InvestEU. While the efforts to enhance synergies and complementarity between ESIF and InvestEU are acknowledged, a simple transfer of means, leading to a reduction of resources for cohesion policy projects, is not the solution. This reasoning was also part of the EP position during the so-called “omnibus procedure”.

The rapporteur is aware that this would imply a major change for the suggested InvestEU programme. She believes, however, that the continued success of a future cohesion policy, as the Union’s main investment policy and one of its most concrete expressions of solidarity, is linked to the funding available. To reduce this funding would be counterproductive and

unhelpful for all people in all regions concerned.

AMENDMENTS

The Committee on Regional Development calls on the Committee on Budgets and the Committee on Economic and Monetary Affairs, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) With 1.8% of EU GDP, down from 2.2% in 2009, infrastructure investment activities in the Union in 2016 were about 20% below investment rates before the global financial crisis. Thus, while a recovery in investment-to-GDP ratios in the Union can be observed, it remains below what might be expected in a strong recovery period and is insufficient to compensate years of underinvestment. More importantly, the current investment levels and forecasts do not cover the Union's structural investment needs in the face of technological change and global competitiveness, including for innovation, skills, infrastructure, small and medium-sized enterprises ('SMEs') and the need to address key societal challenges such as sustainability or population ageing. Consequently, continued support is necessary to address market failures and sub-optimal investment situations to reduce the investment gap in targeted sectors to achieve the Union's policy objectives.

Amendment

(1) With 1.8% of EU GDP, down from 2.2% in 2009, infrastructure investment activities in the Union in 2016 were about 20% below investment rates before the global financial crisis. Thus, while a recovery in investment-to-GDP ratios in the Union can be observed, it remains below what might be expected in a strong recovery period and is insufficient to compensate years of underinvestment. More importantly, the current investment levels and forecasts do not cover the Union's structural investment needs in the face of technological change and global competitiveness, including for innovation, skills, infrastructure, small and medium-sized enterprises ('SMEs'), **green investments** and the need to address key societal challenges such as sustainability or population ageing. Consequently, continued support is necessary to address market failures and sub-optimal investment situations to reduce the investment gap in targeted sectors, **to reduce disparities in the level of development and** to achieve the Union's policy objectives.

Amendment 2

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) In the last years, the Union has adopted ambitious strategies to complete the Single Market and to stimulate sustainable growth and jobs, such as the Capital Markets Union, the Digital Single Market Strategy, the Clean Energy for all Europeans package, the Union Action Plan for the Circular Economy, the Low-Emission Mobility Strategy, the Defence and the Space Strategy for Europe. The InvestEU Fund should exploit and reinforce synergies between those mutually reinforcing strategies through providing support to investment and access to financing.

Amendment

(3) In the last years, the Union has adopted ambitious strategies to complete the Single Market and to stimulate sustainable **and inclusive** growth and jobs, such as **the Europe 2020 Strategy**, the Capital Markets Union, the Digital Single Market Strategy, the Clean Energy for all Europeans package, the Union Action Plan for the Circular Economy, the Low-Emission Mobility Strategy, the Defence and the Space Strategy for Europe **and the European Pillar of Social Rights**. The InvestEU Fund should exploit and reinforce synergies between those mutually reinforcing strategies through providing support to investment and access to financing **in all regions, especially in those where such access is structurally constrained**.

Amendment 3

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of those reform priorities. The strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national or Union funding, or by both. They should also serve to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably

Amendment

(4) At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States **in cooperation with local and regional authorities**, develop their own national multiannual investment strategies in support of those reform priorities. The strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national or Union funding, or by both. They should also serve to use Union funding in a coherent manner and to

from the European *Structural and Investment Funds, the European Investment Stabilisation Function* and the InvestEU Fund, where relevant.

maximise the added value of the financial support to be received notably from the European Investment Stabilisation Function and the InvestEU Fund, where relevant.

Amendment 4

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) The InvestEU Fund should contribute to improving the competitiveness of the Union, including in the field of innovation and digitisation, the sustainability of the Union's economic growth, the social resilience and inclusiveness and the integration of the Union capital markets, including solutions addressing their fragmentation and diversifying sources of financing for the Union enterprises. To that end, it should support projects that are technically *and* economically viable by providing a framework for the use of debt, risk sharing and equity instruments underpinned by a guarantee from the Union's budget and by contributions from implementing partners. It should be demand-driven while support under the InvestEU Fund should at the same time focus on contributing to meeting policy objectives of the Union.

Amendment

(5) The InvestEU Fund *should be geared to social, economic and territorial cohesion and be capable of helping to increase aggregate demand and carry out investments in sustainable infrastructure. Furthermore, it* should contribute to improving the competitiveness of the Union, including in the field of innovation and digitisation, the sustainability of the Union's economic growth, the social resilience and inclusiveness and the integration of the Union capital markets, including solutions addressing their fragmentation and diversifying sources of financing for the Union enterprises. To that end, it should support *the dual value of cultural and creative sectors*, projects that are technically, economically *and socially* viable by providing a framework for the use of debt, risk sharing and equity instruments underpinned by a guarantee from the Union's budget and by contributions from implementing partners, *through the creation of quality jobs and the broadening and improvement of the productive base of Member States*. It should be demand-driven while support under the InvestEU Fund should at the same time focus on contributing to meeting policy objectives of the Union.

Amendment 5

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The InvestEU Fund should support investments in tangible and intangible assets to foster growth, investment and employment, and thereby contributing to improved well-being **and** fairer income distribution in the Union. Intervention through the InvestEU Fund should complement Union support delivered through grants.

Amendment

(6) The InvestEU Fund should support investments in tangible and intangible assets , ***including cultural heritage***, to foster growth, ***sustainable development***, investment and employment, and thereby contributing to ***the reduction of disparities between regions***, improved well-being, fairer income distribution in the Union ***and the Union's economic, social and territorial cohesion***. Intervention through the InvestEU Fund should complement Union support delivered through grants.

Amendment 6

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) Investment projects receiving substantial Union support, notably in the area of infrastructure, should be subject to sustainability proofing in accordance with guidance that should be developed by the Commission in cooperation with implementing partners under the InvestEU Programme and, using in an appropriate way the criteria established by [Regulation on establishment of a framework to facilitate sustainable investment] for determining whether an economic activity is environmentally sustainable and ***coherently*** with the guidance developed for other programmes of the Union. Such guidance should include adequate provisions to avoid undue administrative burden.

Amendment

(12) Investment projects receiving substantial Union support, notably in the area of infrastructure, should be subject to sustainability proofing in accordance with guidance that should be developed by the Commission in cooperation with implementing partners under the InvestEU Programme and, using in an appropriate way the criteria established by [Regulation on establishment of a framework to facilitate sustainable investment] for determining whether an economic activity is environmentally sustainable and ***coherent*** with the guidance developed for other programmes of the Union. Such guidance should include adequate provisions to avoid undue administrative burden ***and to establish complementarities to other Union programmes***.

Amendment 7

Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) The InvestEU Programme should also integrate the gender perspective in all its working and decision making processes, make sure that committees and projects teams are gender balanced and ensure that the implementation of this fund contributes to the promotion of gender equality in compliance with EU gender mainstreaming obligations (Article 8 TFEU).

Amendment 8

Proposal for a regulation
Recital 13

Text proposed by the Commission

Amendment

(13) Low infrastructure investment rates in the Union during the financial crisis undermined the Union's ability to boost sustainable growth, competitiveness and convergence. Sizeable investments in the European infrastructure are fundamental to meet the Union's sustainability targets, including the 2030 energy and climate targets. Accordingly, support from the InvestEU Fund should target investments into transport, energy, including energy efficiency and renewable energy, environmental, climate action, maritime and digital infrastructure. To maximise the impact and the value added of Union financing support, it is appropriate to promote a streamlined investment process enabling visibility of the project pipeline **and** consistency across relevant Union programmes. Bearing in mind security threats, investment projects receiving Union support should take into account principles for the protection of citizens in public spaces. This should be complementary to the efforts made by

(13) Low infrastructure investment rates in the Union during the financial crisis undermined the Union's ability to boost **prosperity**, sustainable growth, competitiveness and convergence. Sizeable investments in the European infrastructure are fundamental to meet the Union's sustainability targets, including the 2030 **and 2050** energy and climate targets. Accordingly, support from the InvestEU Fund should target investments into transport, **including upgrading of the existing infrastructure with particular focus on safety and security**, energy, including energy efficiency and renewable energy, environmental, climate action, maritime and digital infrastructure. To maximise the impact and the value added of Union financing support, it is appropriate to promote a streamlined investment process enabling visibility of the project pipeline, consistency **and complementarities** across relevant Union programmes, **avoiding overlaps**. Bearing in mind security threats, investment projects

other Union funds such as the European Regional Development Fund providing support for security components of investments in public spaces, transport, energy and other critical infrastructure.

receiving Union support should take into account principles for the protection of citizens in public spaces. This should be complementary to the efforts made by other Union funds such as the European Regional Development Fund providing support for security components of investments in public spaces, transport, energy and other critical infrastructure.

Amendment 9

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) Whereas the level of overall investment in the Union is increasing, investment in higher-risk activities such as research **and** innovation is still inadequate. The resulting underinvestment in research **and** innovation is damaging to the industrial and economic competitiveness of the Union and the quality of life of its citizens. The InvestEU Fund should provide the appropriate financial products to cover different stages in the innovation cycle and a wide range of stakeholders, in particular to allow the upscaling of and deployment of solutions at a commercial scale in the Union, in order to make such solutions competitive on world markets.

Amendment

(14) Whereas the level of overall investment in the Union is increasing, investment in higher-risk activities such as research, innovation **and new technologies** is still inadequate. The resulting underinvestment in research, innovation **and new technologies** is damaging to the industrial and economic competitiveness of the Union and the quality of life of its citizens. The InvestEU Fund should provide the appropriate financial products to cover different stages in the innovation cycle and a wide range of stakeholders, **supporting innovation clusters**, in particular to allow the upscaling of and deployment of solutions at a commercial scale in the Union, in order to make such solutions competitive on world markets.

Amendment 10

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) Small and medium-sized enterprises (SMEs) play a crucial role in the Union. However, they face challenges

Amendment

(16) Small and medium-sized enterprises (SMEs), **including social enterprises**, play a crucial role in the

when accessing finance because of their perceived high risk and lack of sufficient collateral. Additional challenges arise from SMEs' need to stay competitive by engaging in digitisation, internationalisation and innovation activities and skilling up their workforce. Moreover, compared to larger enterprises, they have access to a more limited set of financing sources: they typically do not issue bonds, have only limited access to stock exchanges or large institutional investors. The challenge in accessing finance is even greater for those SMEs whose activities focus on intangible assets. SMEs in the Union rely heavily on banks and debt financing in the form of bank overdrafts, bank loans or leasing. Supporting SMEs that face the above challenges and providing more diversified sources of funding is necessary for increasing the ability of SMEs to finance their creation, growth and development, withstand economic downturns, and for making the economy and the financial system more resilient during economic downturn or shocks. This is also complementary to the initiatives already undertaken in the context of the Capital Markets Union. The InvestEU Fund should provide an opportunity to focus on specific, more targeted financial products.

Union. However, they face challenges when accessing finance because of their perceived high risk and lack of sufficient collateral. Additional challenges arise from SMEs' need to stay competitive by engaging in digitisation, internationalisation, **marketing** and innovation activities and skilling up their workforce. Moreover, compared to larger enterprises, they have access to a more limited set of financing sources: they typically do not issue bonds, have only limited access to stock exchanges or large institutional investors. The challenge in accessing finance is even greater for those SMEs whose activities focus on intangible assets. SMEs in the Union rely heavily on banks and debt financing in the form of bank overdrafts, bank loans or leasing. Supporting SMEs that face the above challenges and providing more diversified sources of funding is necessary for increasing the ability of SMEs to finance their creation, growth and **sustainable** development, withstand economic downturns, and for making the economy and the financial system more resilient during economic downturn or shocks **and capable of creating jobs and social well-being**. This is also complementary to the initiatives already undertaken in the context of the Capital Markets Union. The InvestEU Fund should provide an opportunity to focus on specific, more targeted financial products.

Amendment 11

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) As set out in the reflection paper on the social dimension of Europe¹⁶ and the European Pillar of Social Rights¹⁷, building a more inclusive and fairer Union is a key priority for the Union to tackle

Amendment

(17) As set out in the reflection paper on the social dimension of Europe¹⁶, and the European Pillar of Social Rights¹⁷ **and the EU framework on the Implementation of the UN Convention on the Rights of**

inequality and foster social inclusion policies in Europe. Inequality of opportunities affects in particular access to education, training and health. Investment in the social, skills and human **capital-related** economy, as well as in the integration of vulnerable populations in the society, can enhance economic opportunities, especially if coordinated at Union level. The InvestEU Fund should be used to support investment in education and training, help increase employment, in particular among the unskilled and long-term unemployed, and improve the situation with regard to intergenerational solidarity, the health sector, homelessness, digital inclusiveness, community development, the role and place of young people in society as well as vulnerable people, including third country nationals. The InvestEU Programme should also contribute to the support of European culture and creativity. To counter the profound transformations of societies in the Union and of the labour market in the coming decade, it is necessary to invest in human **capital**, microfinance, **social enterprise finance and new social economy business models, including social impact investment and social outcomes contracting**. The InvestEU Programme should strengthen nascent social market eco-system, increasing the supply of and access to finance to micro- and social enterprises, to meet the demand of those who need it the most. The report of the High-Level Task-Force on Investing in Social Infrastructure in Europe¹⁸ has identified investment gaps in social infrastructure and services, including for education, training, health **and** housing, which call for support, including at the Union level. Therefore, the collective power of public, **commercial and philanthropic capital, as well as support from foundations**, should be harnessed to support the social market value chain development and a more resilient Union.

Persons with Disabilities, building a more inclusive and fairer Union is a key priority for the Union to tackle inequality and foster social inclusion policies in Europe. Inequality of opportunities affects in particular access to education, training, **culture, employment** and health. Investment in the social, skills and human **resources-related** economy, as well as in the integration of vulnerable populations in the society, can enhance economic opportunities, especially if coordinated at Union level. The InvestEU Fund should be used to support investment in education and training, help increase **a good quality** employment, in particular among the unskilled and long-term unemployed, and improve the situation with regard to **equal opportunities**, intergenerational solidarity, the health sector, homelessness, digital inclusiveness, community development, **the deinstitutionalisation process of children and adults**, the role and place of young people in society as well as vulnerable people, including third country nationals. The InvestEU Programme should also contribute to the support of European culture and creativity. To counter the profound transformations of societies in the Union and of the labour market in the coming decade, it is necessary to invest in human **resources**, microfinance **and the** social economy. The InvestEU Programme should strengthen nascent social market eco-system, increasing the supply of and access to finance to micro- and social enterprises, to meet the demand of those who need it the most. The report of the High-Level Task-Force on Investing in Social Infrastructure in Europe¹⁸ has identified investment gaps in social infrastructure and services, including for education, training, health, housing, **and social inclusion**, which call for support, including at the Union level. Therefore, the collective power of public **and private resources** should be harnessed to support the social market value chain development

and a more resilient Union.

¹⁶ COM(2017) 206.

¹⁷ COM(2017) 250.

¹⁸ Published as European Economy Discussion Paper 074 in January 2018.

¹⁶ COM(2017) 206.

¹⁷ COM(2017) 250.

¹⁸ Published as European Economy Discussion Paper 074 in January 2018.

Amendment 12

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Each policy window should be composed of two compartments, that is to say an EU compartment and a Member State compartment. The EU compartment should address Union-wide market failures or sub-optimal investment situations in a proportionate manner; supported actions should have a clear European added value. The Member State compartment should give Member States the possibility to contribute a share of their resources of Funds under shared management to the provisioning of the EU guarantee to use the EU guarantee for financing or investment operations to address specific market failures or sub-optimal investment situations in their own territory, including in vulnerable and remote areas such as the outermost regions of the Union, to deliver objectives of the Fund under shared management. Actions supported from the InvestEU Fund through either EU or Member State compartments should not duplicate or crowd out private financing or distort competition in the internal market.

Amendment 13

Proposal for a regulation

Recital 20

Amendment

(19) Each policy window should be composed of two compartments, that is to say an EU compartment and a Member State compartment. The EU compartment should address Union-wide market failures or sub-optimal investment situations in a proportionate manner; supported actions should have a clear European added value. The Member State compartment should give Member States the possibility to contribute a share of their resources of Funds under shared management to the provisioning of the EU guarantee to use the EU guarantee for financing or investment operations to address specific market failures or sub-optimal investment situations in their own territory, including *in less developed regions and* in vulnerable and remote areas such as the outermost regions of the Union, to deliver objectives of the Fund under shared management. Actions supported from the InvestEU Fund through either EU or Member State compartments should not duplicate or crowd out private financing or distort competition in the internal market.

(20) The Member State compartment should be specifically designed to allow the use of funds under shared management to provision a guarantee issued by the Union. That combination aims at mobilising the high credit rating of the Union to promote national and regional investments while ensuring a consistent risk management of the contingent liabilities by implementing the guarantee given by the Commission under indirect management. The Union should guarantee the financing and investment operations foreseen by the guarantee agreements concluded between the Commission and implementing partners under the Member State compartment, the Funds under shared management should provide the provisioning of the guarantee, following a provisioning rate determined by the Commission based on the nature of the operations and the resulting expected losses, and the Member State would assume losses above the expected losses by issuing a back-to-back guarantee in favour of the Union. Such arrangements should be concluded in a single contribution agreement with each Member State that voluntarily chooses such option. The contribution agreement should encompass the one or more specific guarantee agreements to be implemented within the Member State concerned. The setting out of the provisioning rate on a case by case basis requires a derogation from [Article 211(1)] of Regulation (EU, Euratom) No XXXX¹⁹ (the 'Financial Regulation'). This design provides also a single set of rules for budgetary guarantees supported by funds managed centrally or by funds under shared management, which would facilitate their combination.

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Amendment 14

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) In selecting implementing partners for the deployment of the InvestEU Fund, the Commission should consider the counterpart's capacity to fulfil the objectives of the InvestEU Fund and contribute its own resources, in order to ensure adequate geographical coverage and diversification, to crowd-in private investors and to provide sufficient risk diversification as well as new solutions to address market failures and sub-optimal investment situations. Given its role under the Treaties, its capacity to operate in all Member States and the existing experience under the current financial instruments and the EFSI, the European Investment Bank ('EIB') Group should remain a privileged implementing partner under the InvestEU Fund's EU compartment. In addition to the EIB Group, national promotional banks or institutions should be able to offer a complementary financial product range given that their experience and capabilities at regional level could be beneficial for the maximisation of the impact of public funds on the territory of the Union. Moreover, it should be possible to have other international financial institutions as implementing partners, in particular when they present a comparative advantage in terms of specific expertise and experience in certain Member States. It should also be possible for other entities fulfilling the criteria laid down in the Financial Regulation to act as implementing partners.

Amendment 15
Proposal for a regulation
Recital 30

Amendment

(29) In selecting implementing partners for the deployment of the InvestEU Fund, the Commission should consider the counterpart's capacity to fulfil the objectives of the InvestEU Fund and contribute its own resources, in order to ensure adequate geographical coverage and diversification **for all Member States**, to crowd-in private investors and to provide sufficient risk diversification as well as new solutions to address market failures and sub-optimal investment situations. ***Investment through the InvestEU Fund should contribute to decrease of regional development disparities.*** Given its role under the Treaties, its capacity to operate in all Member States and the existing experience under the current financial instruments and the EFSI, the European Investment Bank ('EIB') Group should remain a privileged implementing partner under the InvestEU Fund's EU compartment. In addition to the EIB Group, national promotional banks or institutions should be able to offer a complementary financial product range given that their experience and capabilities at regional level could be beneficial for the maximisation of the impact of public funds on the territory of the Union. Moreover, it should be possible to have other international financial institutions as implementing partners, in particular when they present a comparative advantage in terms of specific expertise and experience in certain Member States. It should also be possible for other entities fulfilling the criteria laid down in the Financial Regulation to act as implementing partners.

Text proposed by the Commission

(30) In order to ensure that interventions under the EU compartment of the InvestEU Fund focus on market failures and sub-optimal investment situations at Union level, but, at the same time, satisfy the objectives of best possible geographic outreach, the EU guarantee should be allocated to implementing partners, which alone or together with other implementing partners, can cover at least three Member States. However, it is expected that around 75 % of the EU guarantee under the EU compartment would be allocated to implementing partner or partners that can offer financial products under the InvestEU Fund in all Member States.

Amendment

(30) In order to ensure that interventions under the EU compartment of the InvestEU Fund focus on market failures and sub-optimal investment situations at Union level, but, at the same time, satisfy the objectives of best possible geographic outreach ***and to avoid disproportionate benefit of Member States with more capital market***, the EU guarantee should be allocated to implementing partners, which alone or together with other implementing partners, can cover at least three Member States. However, it is expected that around 75 % of the EU guarantee under the EU compartment would be allocated to implementing partner, ***such as EIB***, or partners that can offer financial products under the InvestEU Fund in all Member States.

Amendment 16

Proposal for a regulation
Recital 31

Text proposed by the Commission

(31) The EU guarantee under the Member State compartment should be allocated to any implementing partner eligible according to [Article 62(1)(c)] of the [Financial Regulation], including national or regional promotional banks or institutions, the EIB, the European Investment Fund and other multilateral development banks. When selecting implementing partners under the Member State compartment, the Commission should take into account the proposals made by each Member State. In accordance with [Article 154] of the [Financial Regulation], the Commission must carry out an assessment of the rules and procedures of the implementing partner to ascertain that they provide a

Amendment

deleted

level of protection of the financial interest of the Union equivalent to the one provided by the Commission.

Amendment 17

Proposal for a regulation

Recital 35

Text proposed by the Commission

(35) The InvestEU Advisory Hub should support the development of a robust pipeline of investment projects in each policy window. In addition, a cross-sectoral component under the InvestEU Programme should be foreseen to ensure a single-entry point and cross-policy project development assistance for centrally managed Union programmes.

Amendment

(35) The InvestEU Advisory Hub should support the development of a robust pipeline of investment projects in each policy window ***providing for effective implementation of geographic diversification with a view to contributing to the Union objective of economic, social, and territorial cohesion and reducing regional disparities.*** In addition, a cross-sectoral component under the InvestEU Programme should be foreseen to ensure a single-entry point and cross-policy project development assistance for centrally managed Union programmes.

Amendment 18

Proposal for a regulation

Recital 36

Text proposed by the Commission

(36) In order to ensure a wide geographic outreach of the advisory services across the Union and to successfully leverage local knowledge about the InvestEU Fund, a local presence of the InvestEU Advisory Hub should be ensured, where needed, taking into account existing support schemes, with a view to provide tangible, proactive, tailor-made assistance on the ground.

Amendment

(36) In order to ensure a wide geographic outreach of the advisory services across the Union and to successfully leverage local knowledge about the InvestEU Fund, a local presence of the InvestEU Advisory Hub ***in each Member State and in regions facing difficulties in developing projects under the InvestEU Fund*** should be ensured, where needed, taking into account existing support schemes, with a view to provide tangible, proactive, tailor-made assistance on the ground.

Amendment 19

Proposal for a regulation

Recital 37

Text proposed by the Commission

(37) In the context of the InvestEU Fund, there is a need for capacity building support to develop the organisational capacities and market making activities needed to originate quality projects. Moreover, the aim is to create the conditions for the expansion of the potential number of eligible recipients in nascent market segments, in particular where the small size of individual projects raises considerably the transaction cost at the project level, such as for the social finance ecosystem. The capacity building support should therefore be complementary and additional to actions undertaken under other Union programmes that cover a specific policy area.

Amendment

(37) In the context of the InvestEU Fund, there is a need for capacity building support to develop the organisational capacities and market making activities needed to originate quality projects. Moreover, the aim is to create the conditions for the expansion of the potential number of eligible recipients in nascent market segments ***and develop programmes for their preparation***, in particular where the small size of individual projects raises considerably the transaction cost at the project level, such as for the social finance ecosystem. The capacity building support should therefore be complementary and additional to actions undertaken under other Union programmes that cover a specific policy area. ***Particular effort should also be made to support the capacity building of potential project promoters, in particular local and regional service provider organisations.***

Amendment 20

Proposal for a regulation

Recital 40

Text proposed by the Commission

(40) A solid monitoring framework, based on output, outcome and impact indicators should be implemented to track progress towards the Union's objectives. In order to ensure accountability to European citizens, the Commission should report ***annually*** to the European Parliament and the Council on the progress, impact and operations of the InvestEU Programme.

Amendment

(40) A solid monitoring framework, based on output, outcome and impact indicators should be implemented to track progress towards the Union's objectives. In order to ensure accountability to European citizens, the Commission should report ***twice a year, at 6 months' basis***, to the European Parliament and the Council on the progress, impact and operations of the InvestEU Programme, ***and on the coordination, complementarity and***

consistency with other Union policies and instruments, especially the funds under shared management.

Amendment 21

Proposal for a regulation Recital 47

Text proposed by the Commission

(47) The InvestEU Programme should address EU-wide market failures **and** sub-optimal investment situations and provide for Union-wide market testing of innovative financial products, and systems to spread them, for new or complex market failures. Therefore, action at Union level is warranted,

Amendment

(47) The InvestEU Programme should address EU-wide market failures, sub-optimal investment situations, **disparities in the level of development** and provide for Union-wide market testing of innovative financial products, and systems to spread them, for new or complex market failures. Therefore, action at Union level is warranted,

Amendment 22

Proposal for a regulation Article 2 – paragraph 1 – point -1 (new)

Text proposed by the Commission

Amendment

(-1) ‘additionality’ means the support by the InvestEU operations which address market failures or sub-optimal investment situations and which could not have been carried out in the period during which the EU guarantee can be used, or not to the same extent, by the EIB, the EIF or under other Union financial instruments without InvestEU support;

Amendment 23

Proposal for a regulation Article 3 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) the increase of the Union employment rate;

Amendment 24

Proposal for a regulation Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) the *sustainability* of the Union economy *and its growth*;

Amendment

(b) the ***growth and the sustainable development*** of the Union economy;

Amendment 25

Proposal for a regulation Article 3 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment
(ba) balanced development and the reduction of disparities;

Amendment 26

Proposal for a regulation Article 3 – paragraph 1 – point c

Text proposed by the Commission

(c) the social resilience and inclusiveness of the Union;

Amendment

(c) the ***cohesion, social innovation and*** resilience, and inclusiveness of the Union;

Amendment 27

Proposal for a regulation Article 3 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment
(ca) the promotion of scientific and technological advance, of culture, education and training;

Amendment 28

Proposal for a regulation

Article 3 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) the achievement of the climate objectives, as well as delivering long-term environmental and societal benefits.

Amendment 29

Proposal for a regulation

Article 4 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

An additional amount of the EU guarantee may be provided for the purposes of the Member State compartment referred to in point (b) of Article 8(1), subject to the allocation by Member States, pursuant to [Article 10(1)] of Regulation [[CPR] number]²⁸ and Article [75(1)] of Regulation [[CAP plan] number]²⁹, of the corresponding amounts.

deleted

Amendment 30

Proposal for a regulation

Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

The EU compartment of the InvestEU Fund referred to in point (a) of Article 8(1) and each of the policy windows referred to in Article 7(1) may receive contributions from the following third countries in order to participate in certain financial products pursuant to [Article 218(2)] of the [Financial Regulation]:

Each of the policy windows referred to in Article 7(1) may receive contributions from the following third countries in order to participate in certain financial products pursuant to [Article 218(2)] of the [Financial Regulation]:

Amendment 31

Proposal for a regulation

Article 6 – paragraph 1

Text proposed by the Commission

1. The EU guarantee shall be **implemented** in indirect management **with bodies referred to in [Article 62(1)(c)(ii) to (vii)] of the [Financial Regulation]**. Other forms of EU funding under this Regulation shall be implemented in direct or indirect management in accordance with the [Financial Regulation], including grants implemented in accordance with its [Title VIII].

Amendment

1. The EU guarantee ***under the InvestEU*** shall be ***managed by the European Investment Bank*** in indirect management ***and shall be implemented by implementing partners in accordance with this*** Regulation. Other forms of EU funding under this Regulation shall be implemented in direct or indirect management in accordance with the [Financial Regulation], including grants implemented in accordance with its [Title VIII].

Amendment 32

Proposal for a regulation

Article 7 – paragraph 1 – point a

Text proposed by the Commission

(a) sustainable infrastructure policy window: comprises sustainable investment in the areas of transport, energy, digital connectivity, supply and processing of raw materials, space, oceans and water, waste, nature and other environment infrastructure, equipment, mobile assets and deployment of innovative technologies that contribute to the environmental or social sustainability objectives of the Union, or to both, ***or meet the environmental or social sustainability standards*** of the ***Union***;

Amendment

(a) sustainable infrastructure policy window: comprises sustainable investment in the areas of transport ***and logistics, urban mobility***, energy, ***energy efficiency, communication***, digital ***and broadband*** connectivity, ***tourism***, supply and processing of raw materials, space, oceans and water, waste, ***the circular economy***, nature and other environment infrastructure, ***cultural heritage***, equipment, mobile assets and deployment of innovative technologies that contribute to the environmental or social sustainability objectives of the Union, or to both, ***as well as to the long-term sustainable development*** of the ***region in which the operation is taking place***;

Amendment 33

Proposal for a regulation

Article 7 – paragraph 1 – point b

Text proposed by the Commission

(b) research, innovation and digitisation policy window: comprises research and innovation activities, transfer of research results to the market, demonstration and deployment of innovative solutions and support to scaling up of innovative companies **other than SMEs** as well as digitisation of Union industry;

Amendment

(b) research, innovation and digitisation policy window: comprises research and innovation activities, **knowledge transfer and** transfer of research results to the market, demonstration and deployment of innovative solutions and support to scaling up of innovative companies **and towards innovation clusters**, as well as digitisation of Union industry;

Amendment 34

Proposal for a regulation

Article 7 – paragraph 1 – point c

Text proposed by the Commission

(c) SMEs policy window: access to and availability of finance for SMEs and, in duly justified cases, for **small** mid-cap companies;

Amendment

(c) SMEs policy window: access to and availability of finance for SMEs and, in duly justified cases, for mid-cap companies;

Amendment 35

Proposal for a regulation

Article 7 – paragraph 1 – point d

Text proposed by the Commission

(d) social investment and skills policy window: comprises microfinance, social enterprise finance and social economy; skills, education, training and related services; social infrastructure (including social and student housing); social innovation; health and long-term care; inclusion and accessibility; cultural activities with a social goal; integration of vulnerable people, including third country

Amendment

(d) social investment and skills policy window: comprises microfinance, social enterprise finance and social economy; skills, education, training and related services; social infrastructure (including social and student housing); **integrated urban regeneration**; social innovation; health and long-term care **for active ageing; deinstitutionalisation process of children and adults**; inclusion and

nationals.

accessibility; cultural *and creative* activities with a social goal; integration of vulnerable people, including third country nationals.

Amendment 36

Proposal for a regulation

Article 7 – paragraph 3 – subparagraph 1

Text proposed by the Commission

Financing and investment operations under the sustainable infrastructure policy window referred to in point (a) of paragraph (1) shall be subject to climate, environmental and social sustainability proofing with a view to minimise detrimental impacts and maximise benefits on climate, environment and social dimension. For that purpose, promoters requesting financing shall provide adequate information based on guidance to be developed by the Commission. Projects below a certain size defined in the guidance shall be excluded from the proofing.

Amendment

Financing and investment operations under the sustainable infrastructure policy window referred to in point (a) of paragraph (1) shall be subject to climate, environmental and social sustainability proofing with a view to minimise detrimental impacts and maximise benefits on climate, environment and social dimension. For that purpose, promoters requesting financing shall provide adequate information based on guidance to be developed by the Commission *before the entry into force of the Regulation*. Projects below a certain size defined in the guidance shall be excluded from the proofing.

Amendment 37

Proposal for a regulation

Article 7 – paragraph 3 – subparagraph 2 – introductory part

Text proposed by the Commission

The *Commission guidance* shall allow to:

Amendment

The *investment guidelines* shall allow to:

Amendment 38

Proposal for a regulation

Article 7 – paragraph 3 – subparagraph 2 – point c

Text proposed by the Commission

c) estimate the impact on the social

Amendment

c) estimate the impact on the social

inclusion *of certain areas or populations*.

inclusion, *including in terms of quality of life improvements and social cohesion, with particular attention to more vulnerable people*.

Amendment 39

Proposal for a regulation Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7a

Additionality

Projects supported by the InvestEU shall typically have a higher risk profile than projects supported by EIB normal operations and the InvestEU portfolio shall have overall a higher risk profile than the portfolio of investments supported by the EIB under its normal investment policies before the entry into force of this Regulation.

Amendment 40

Proposal for a regulation Article 9

Text proposed by the Commission

Amendment

[...]

deleted

Amendment 41

Proposal for a regulation Article 11 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) cross-border projects between entities located or established in one or more Member States and extending to one or more third countries, including acceding countries, candidate countries and potential

(a) cross-border *and interregional* projects between entities located or established in one or more Member States and extending to one or more third countries, including acceding countries,

candidates, countries covered by the European Neighbourhood Policy, the European Economic Area or the European Free Trade Association, or to an overseas country or territory as set out in Annex II to the TFEU, or to an associated third country, whether or not there is a partner in those third countries or overseas countries or territories;

candidate countries and potential candidates, countries covered by the European Neighbourhood Policy, the European Economic Area or the European Free Trade Association, or to an overseas country or territory as set out in Annex II to the TFEU, or to an associated third country, whether or not there is a partner in those third countries or overseas countries or territories;

Amendment 42

Proposal for a regulation

Article 12 – paragraph 1 – subparagraph 2

Text proposed by the Commission

For the EU compartment, the eligible counterparts *shall* have expressed their interest *and* shall be able to cover financing and investment operations in at least three Member States. The implementing partners may also cover together financing and investment operations in at least three Member States by forming a group.

Amendment

For the EU compartment, the eligible counterparts *that* have expressed their interest shall be able to cover financing and investment operations in at least three Member States, *with the exception of blending operations as defined in Article 2, paragraph 1, point (1)*. The implementing partners may also cover together financing and investment operations in at least three Member States by forming a group.

Amendment 43

Proposal for a regulation

Article 12 – paragraph 1 – subparagraph 3

Text proposed by the Commission

For the Member State compartment, the Member State concerned may propose one or more eligible counterparts as implementing partners from among those that have expressed their interest pursuant to Article 9(3)(c).

Amendment

deleted

Amendment 44

Proposal for a regulation

Article 12 – paragraph 1 – subparagraph 4

Text proposed by the Commission

Amendment

Where the Member State concerned does not propose an implementing partner, the Commission shall proceed in accordance with the second subparagraph of this paragraph among those implementing partners that can cover financing and investment operations in the geographical areas concerned.

deleted

Amendment 45

Proposal for a regulation

Article 12 – paragraph 2 – introductory part

Text proposed by the Commission

Amendment

2. When selecting implementing partners, the Commission shall ensure that the portfolio of financial products under the InvestEU Fund:

2. When selecting implementing partners, the Commission shall ensure that ***their proposal for*** the portfolio of financial products under the InvestEU Fund:

Amendment 46

Proposal for a regulation

Article 12 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) achieves geographical diversification;

(d) achieves geographical diversification ***by Member State and by region, in relation to a balanced development;***

Amendment 47

Proposal for a regulation

Article 14 – paragraph 2 – point f

Text proposed by the Commission

Amendment

(f) the commitment of the implementing partner to accept the decisions by ***the Commission and*** the Investment Committee as regards the use of the EU guarantee for the benefit of a proposed financing or investment operation, without prejudice to the decision-making of the implementing partner on the proposed operation without the EU guarantee;

(f) the commitment of the implementing partner to accept the decisions by the Investment Committee as regards the use of the EU guarantee for the benefit of a proposed financing or investment operation, without prejudice to the decision-making of the implementing partner on the proposed operation without the EU guarantee;

Amendment 48

**Proposal for a regulation
Article 14 – paragraph 5**

Text proposed by the Commission

Amendment

5. Where the guarantee agreement is concluded under the Member State compartment, it may provide for the participation of representatives from the Member State or the regions concerned in the monitoring of the implementation of the guarantee agreement.

deleted

Amendment 49

**Proposal for a regulation
Article 19 – paragraph 1 – introductory part**

Text proposed by the Commission

Amendment

1. An Investment Committee shall be established. It shall

1. An ***independent*** Investment Committee shall be established. It shall

Amendment 50

**Proposal for a regulation
Article 19 – paragraph 2 – subparagraph 3**

Text proposed by the Commission

Amendment

The experts shall have a high level of relevant market experience in project

The experts shall have a high level of relevant market experience in project

structuring and financing *or* financing of SMEs or corporates.

structuring and financing *in the field of regional development and of* financing of SMEs or corporates.

Amendment 51

Proposal for a regulation

Article 19 – paragraph 2 – subparagraph 4

Text proposed by the Commission

The composition of the Investment Committee shall ensure that it has a wide knowledge of the sectors covered by the policy windows referred to in Article 7(1) and of the geographic markets in the Union and that it is gender-balanced as a whole.

Amendment

The composition of the Investment Committee shall ensure that it has a wide knowledge of the sectors covered by the policy windows referred to in Article 7(1) and of the geographic markets in the Union and that it is ***geographical and*** gender-balanced as a whole.

Amendment 52

Proposal for a regulation

Article 19 – paragraph 2 – subparagraph 5

Text proposed by the Commission

Four members shall be permanent members of all four configurations of the Investment Committee. In addition, the four configurations shall each have two experts with experience in investment in sectors covered by that policy window. At least one of the permanent members shall have expertise in sustainable investment. The Commission shall assign the Investment Committee members to its appropriate configuration or configurations. The Investment Committee shall elect a chairperson from among its permanent members.

Amendment

Four members shall be permanent members of all four configurations of the Investment Committee. In addition, the four configurations shall each have two experts with experience in investment in sectors covered by that policy window. At least one of the permanent members shall have expertise in sustainable investment. The Commission shall assign the Investment Committee members to its appropriate configuration or configurations. The Investment Committee shall elect a chairperson from among its permanent members. ***Where involved, implementing partners should participate in the Investment Committee.***

Amendment 53

Proposal for a regulation

Article 19 – paragraph 2 – subparagraph 6

Text proposed by the Commission

The **Commission** shall adopt the rules of procedure and **manage** the secretariat for the Investment Committee.

Amendment

The **European Investment Bank** shall adopt the rules of procedure and **provide** the secretariat for the Investment Committee.

Amendment 54

Proposal for a regulation

Article 19 – paragraph 3 – subparagraph 1

Text proposed by the Commission

When participating in the activities of the Investment Committee, its members shall perform their duties impartially and in the sole interest of the InvestEU Fund. They shall not seek or take instructions from the implementing partners, the institutions of the Union, the Member States, or any other public or private body.

Amendment

When participating in the activities of the Investment Committee, its members shall perform their duties impartially and in the sole interest of the InvestEU Fund. They shall not seek or take instructions from the implementing partners, the institutions of the Union, the Member States, **the regions** or any other public or private body.

Amendment 55

Proposal for a regulation

Article 20 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The InvestEU Advisory Hub shall provide advisory support for the identification, preparation, development, structuring, procuring and implementation of investment projects, or enhance the capacity of promoters and financial intermediaries to implement financing and investment operations. Its support may cover any stage of the life-cycle of a project or financing of a supported entity, as appropriate.

Amendment

The InvestEU Advisory Hub **shall be managed by the European Investment Bank and will build on the expertise of the Commission, the EIB Group and other institutions, such as NPBI**s, **and** shall provide advisory support for the identification, preparation, development, structuring, procuring and implementation of investment projects, or enhance the capacity of promoters and financial intermediaries to implement financing and investment operations. Its support may cover any stage of the life-cycle of a project or financing of a supported entity, as appropriate.

Amendment 56

Proposal for a regulation Article 20 – paragraph 6

Text proposed by the Commission

6. The InvestEU Advisory Hub shall have local presence, ***where necessary. It shall be established in particular in Member States or*** regions that face difficulties in developing projects under the InvestEU Fund. The InvestEU Advisory Hub shall assist in the transfer of knowledge to the regional and local level with a view to building up regional and local capacity and expertise for support referred to in paragraph 1.

Amendment

6. The InvestEU Advisory Hub shall have local presence ***in each*** Member ***State and in*** regions that face difficulties in developing projects under the InvestEU Fund. The InvestEU Advisory Hub shall assist in the transfer of knowledge to the regional and local level with a view to building up regional and local capacity and expertise for support referred to in paragraph 1.

Amendment 57

Proposal for a regulation Article 20 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6 a. The InvestEU Advisory Hub shall be in contact with local, regional or national authorities managing European Structural and Investment Funds to guide project promoters to those projects, which could be supported with funds under shared management.

Amendment 58

Proposal for a regulation Article 27 – paragraph 1

Text proposed by the Commission

1. The implementing partners shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent,

Amendment

1. The implementing partners shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent,

effective and targeted information to multiple audiences, including the media and the public.

effective and targeted information to multiple audiences, including the media and the public, ***according to the standards applicable to EU programs.***

Amendment 59

Proposal for a regulation Article 27 – paragraph 2

Text proposed by the Commission

2. The Commission shall implement information and communication actions relating to the InvestEU Programme and its actions and results. Financial resources allocated to the InvestEU Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

Amendment

2. The Commission shall implement information and communication ***campaigns, appropriate communication platforms and tools,*** relating to the InvestEU Programme and its actions and results, ***including through the national contact points of the Union programmes, with view to increase the visibility of support and raise public awareness.*** Financial resources allocated to the InvestEU Programme shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Article 3.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing the InvestEU Programme
References	COM(2018)0439 – C8-0257/2018 – 2018/0229(COD)
Committees responsible Date announced in plenary	BUDG ECON 14.6.2018 14.6.2018
Opinion by Date announced in plenary	REGI 14.6.2018
Rapporteur Date appointed	Kerstin Westphal 20.6.2018
Rule 55 – Joint committee procedure Date announced in plenary	5.7.2018
Discussed in committee	27.9.2018
Date adopted	22.11.2018
Result of final vote	+: 25 –: 3 0: 2
Members present for the final vote	Pascal Arimont, Franc Bogovič, Victor Boștinaru, John Flack, Iratxe García Pérez, Krzysztof Hetman, Marc Joulaud, Constanze Krehl, Iskra Mihaylova, Andrey Novakov, Mirosław Piotrowski, Stanislav Polčák, Terry Reintke, Fernando Ruas, Monika Smolková, Maria Spyrali, Ruža Tomašić, Matthijs van Miltenburg, Lambert van Nistelrooij, Kerstin Westphal, Joachim Zeller
Substitutes present for the final vote	Martina Anderson, Petras Auštrevičius, John Howarth, Ivana Maletić, Dimitrios Papadimoulis, Georgi Pirinski, Bronis Ropė, Milan Zver
Substitutes under Rule 200(2) present for the final vote	Joachim Schuster

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

25	+
ECR	John Flack, Mirosław Piotrowski, Ruža Tomašić
PPE	Pascal Arimont, Franc Bogovič, Krzysztof Hetman, Marc Joulaud, Ivana Maletić, Lambert van Nistelrooij, Andrey Novakov, Stanislav Polčák, Fernando Ruas, Maria Spyrali, Joachim Zeller, Milan Zver
S&D	Victor Boştinaru, Iratxe García Pérez, John Howarth, Constanze Krehl, Georgi Pirinski, Joachim Schuster, Monika Smolková, Kerstin Westphal
VERTS/ALE	Terry Reintke, Bronis Ropė

3	-
ALDE	Petras Auštrevičius, Iskra Mihaylova, Matthijs van Miltenburg

2	0
GUE/NGL	Martina Anderson, Dimitrios Papadimoulis

Key to symbols:

+ : in favour

- : against

0 : abstention