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Subject: OPINION of the Committee of the Regions - Investment Plan and
European Fund for Strategic Investments

Delegations will find attached the Opinion of the Committee of the Regions mentioned above.

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OPINION

Investment Plan and European Fund for Strategic Investments

THE EUROPEAN COMMITTEE OF THE REGIONS

- welcomes the Investment Plan for Europe and the European Fund for Strategic Investment (EFSI) regulation as proposed by the Commission in order to boost investments in the Union;
- points out that the EFSI is only one component of the Investment Plan; therefore calls upon the European Commission to specify the scope of the structural reforms it wishes to promote at European level while respecting the subsidiarity principle;
- calls on the European Commission to explore the possibilities under the Union Budget for redirecting available funding to the EU guarantee from programmes other than Horizon 2020 and the Connecting Europe Facility (CEF);
- asks to be fully involved in monitoring and implementing the Investment Plan for Europe. With this in mind, it is crucial to ensure that the EFSI is consistent with local and regional investment strategies and the operational programmes of the European Structural and Investment Funds; calls on the Commission and EIB to involve the CoR as an observer in the Steering Board and in the Investment Committee;
- calls on Member States to closely involve local and regional authorities in establishing and promoting project pipelines to improve the good governance of the EFSI;
- calls on the Commission and EIB to develop in cooperation with the CoR a set of criteria for the

project selection and procedures for the follow-up;

- emphasises that it is crucial for EFSI investment guidelines to ensure that it can be accessible to smaller-scale projects, especially those that contribute to job creation and economic growth and that address regional disparities.

Rapporteur-general

Claude Gewerc (FR/PES), president of Picardy Regional Council

Reference documents

Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank – An Investment Plan for Europe

COM(2014) 903 final

Proposal for a Regulation of the European Parliament and of the Council on the European Fund for Strategic Investments and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013

COM(2015) 10 final

**Opinion of the European Committee of the Regions -
Investment Plan and European Fund for Strategic Investments**

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>(1) The economic and financial crisis has led to a lowering of the level of investments within the Union. Investment has fallen by approximately 15% since its peak in 2007. The Union suffers in particular from a lack of investment as a consequence of market uncertainty regarding the economic future and the fiscal constraints on Member States. This lack of investment slows economic recovery and negatively affects job creation, long-term growth prospects and competitiveness.</p>	<p>(1) The economic and financial crisis has led to a lowering of the level of investments within the Union. Investment has fallen by approximately 15% since its peak in 2007, <i>affecting all European regions</i>. The Union suffers in particular from a lack of investment as a consequence of market uncertainty regarding the economic future and the fiscal constraints on Member States. This lack of investment slows economic recovery and negatively affects job creation, long-term growth prospects and competitiveness. <i>It therefore prevents the realisation of the EU2020 objectives for smart, sustainable and inclusive growth.</i></p>

Amendment 2

Recital 2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>(2) Comprehensive action is required to reverse the vicious circle created by a lack of investment. Structural reforms <i>and</i> fiscal responsibility are necessary preconditions for stimulating investment. Along with a renewed impetus towards investment financing, these preconditions can contribute to establishing a virtuous circle, where investment projects <i>help</i></p>	<p>(2) Comprehensive action is required to reverse the vicious circle created by a lack of investment. Structural reforms <i>geared to combining sustainable growth</i>, fiscal responsibility <i>and more effective public action</i> are necessary preconditions for stimulating <i>long-term</i> investment. Along with a renewed impetus towards investment financing, these</p>

support employment and demand and lead to a sustained increase in growth potential.	preconditions can contribute to establishing a virtuous circle, where investment projects support employment and demand and lead to a sustained increase in growth potential.
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Amendment 3

Recital 8

Text proposed by the Commission	CoR amendment
(8) The EFSI is part of a comprehensive approach to address uncertainty surrounding public and private investments. The strategy has three pillars: mobilising finance for investment, making investment reach the real economy and improving the investment environment in the Union.	(8) The EFSI is part of a comprehensive approach to address uncertainty surrounding public and private investments. The strategy has three pillars: mobilising finance for investment, making investment reach the real economy and improving the investment environment in the Union. The strategy should be complementary to the objective of economic, social and territorial cohesion across the Union.

Amendment 4

Recital 10

Text proposed by the Commission	CoR amendment
(10) The purpose of the EFSI should be to help resolve the difficulties in financing and implementing productive investments in the Union and to ensure increased access to financing. It is intended that increased access to financing should be of particular benefit to small and medium enterprises. It is also appropriate to extend the benefit of such increased access to financing to mid-cap companies, which are companies having up to 3 000 employees. Overcoming Europe's current investment difficulties should contribute to strengthening the Union's economic, social and territorial	(10) The purpose of the EFSI should be to help resolve the difficulties in financing and implementing productive and strategic investments in the Union of economic and societal importance and to ensure increased access to financing. It is intended that increased access to financing should be of particular benefit to small and medium enterprises. It is also appropriate to extend the benefit of such increased access to financing to mid-cap companies, which are companies having up to 3 000 employees. In order to maximise access for SMEs and mid-cap companies to the proposed investments we need to avoid complexity and

<i>cohesion.</i>	<i>keep it simple.</i>
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Amendment 5

Recital 11

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
(11) The EFSI should support strategic investments <i>with high economic value added</i> contributing to achieving Union <i>policy</i> objectives.	(11) The EFSI should support <i>both large- and smaller-scale</i> strategic investment contributing to achieving <i>the European Union's economic, social and territorial</i> objectives <i>under the Europe 2020 strategy for smart, sustainable and inclusive growth. The EFSI should complement the existing EU programmes, especially the European Structural and Investment Funds, and promote or accelerate higher risk projects capable of improving the overall efficacy of the Union economy and unleashing a momentum of added value creation for the European Union. The EFSI should pay special attention to more isolated and less developed regions so as not to further increase the investment gap as well as to encourage transnational cross-border investments. It should also give a greater say to local and regional authorities and focus on increasing their innovation capacity.</i>

Amendment 6

Recital 14

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
(14) The EFSI should target projects delivering high societal and economic value. In particular, the EFSI should target projects that promote job creation, long-term growth and competitiveness. The EFSI should support a wide range of financial products, including equity, debt or guarantees, to best accommodate the needs of the individual	(14) The EFSI should target projects delivering high societal and economic value <i>added</i> . In particular, the EFSI should target projects that promote job creation, long-term <i>sustainable</i> growth, <i>innovation</i> and competitiveness. <i>A clear set of project selection criteria as well as procedures for the follow-up phase should be set</i>

<p>project. This wide range of products should allow the EFSI to adapt to market needs whilst encouraging private investment in the projects. The EFSI should not be a substitute for private market finance but should instead catalyse private finance by addressing market failures so as to ensure the most effective and strategic use of public money. The requirement for consistency with State aid principles should contribute to such effective and strategic use.</p>	<p>up. The EFSI should support a wide range of financial products, including loans, equity, debt or guarantees, to best accommodate the needs of the individual project. This wide range of products should allow the EFSI to adapt to market needs whilst encouraging private investment in the projects. The EFSI should not be a substitute for private market finance but should instead catalyse private finance by addressing market failures so as to ensure the most effective and strategic use of public money and as a means of further strengthening the Union's economic, social and territorial cohesion. The requirement for consistency with State aid principles should contribute to such effective and strategic use.</p>
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Amendment 7

Recital 15

Text proposed by the Commission	CoR amendment
<p>(15) The EFSI should target projects with a higher risk-return profile than existing EIB and Union instruments to ensure additionality over existing operations. The EFSI should finance projects across the Union, including in the countries most affected by the financial crisis. The EFSI should only be used where financing is not available from other sources on reasonable terms.</p>	<p>(15) The EFSI should target projects with a higher risk-return profile than existing EIB and Union instruments to ensure additionality over existing operations. The EFSI should finance projects across the Union, including in the countries most affected by the financial crisis. The EFSI should only be used where financing is not available from other sources. The higher risk must be justified by the impact of the investment on job levels, the economies of territories, particularly those affected by economic change, the consequences for global trends in investment, innovation and the environment. These criteria will have to be adjusted when applications are being examined in order to promote a balanced distribution between sectors and geographical areas.</p>

Amendment 8

Recital 16

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
(16) The EFSI should target investments that are expected to be economically and technically viable, which may entail a degree of appropriate risk, whilst still meeting the particular requirements for EFSI financing.	(16) The EFSI should target investments that are expected to be economically and technically viable, which may entail a degree of appropriate risk <i>which would be excessive for private investors without EFSI support</i> , whilst still meeting the particular requirements for EFSI financing.

<i>Reason</i>
This is a condition for the additionality of investments under the Investment Plan.

Amendment 9

Recital 20 a (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>(20a) The Member States may, if the relevant conditions are met, use other funding instruments and the European Structural and Investment Funds (ESIF) to contribute to the financing of eligible projects that are supported by the EU guarantee, in accordance with the objectives, guarantees and rules of the legal framework that applies to these Funds.</i></p> <p><i>The flexibility of this approach should maximise synergies between EU instruments and the potential to attract investors to the areas of investment targeted by the EFSI. The ESIF and EFSI should be complementary, and crowding out should be avoided as far as possible.</i></p>

Reason
This is a way to reinforce consistency between the EFSI and the Structural Funds and avoid the danger of crowding out.

Amendment 10

Recital 20 b (new)

Text proposed by the Commission	CoR amendment
	(20b) <i>In particular, the EFSI could support investment platforms at the territorial level, which would guarantee coherent and integrated development strategies at regional level by playing the role of regional hubs capable of mobilising all available resources.</i>

Reason
Self-explanatory.

Amendment 11

Recital 21

Text proposed by the Commission	CoR amendment
(21) <i>Provided that all relevant eligibility criteria are fulfilled, Member States may use European Structural Investment Funds to contribute to the financing of eligible projects that are supported by the EU guarantee. The flexibility of this approach should maximise synergies between EU instruments and the potential to attract investors to the areas of investment targeted by the EFSI.</i>	

Reason
Redundant with legislative amendment 9.

Amendment 12

Recital 22

Text proposed by the Commission	CoR amendment
<p>(22) In accordance with the Treaty on the Functioning of the European Union, Infrastructure and project investments supported under EFSI should be consistent with State aid rules. To that end, the Commission has announced that it will formulate a set of core principles, for the purpose of State aid assessments, which a project will have to meet to be eligible for support under the EFSI. If a project meets these criteria and receives support from the EFSI, the Commission has announced that any national complementary support will be assessed under a simplified and accelerated State aid assessment whereby the only additional issue to be verified by the Commission will be the proportionality of public support (absence of overcompensation). The Commission has also announced that it will provide further guidance on the set of core principles with a view to ensuring an efficient use of public funds.</p>	<p>(22) In accordance with the Treaty on the Functioning of the European Union, Infrastructure and project investments supported under EFSI should be consistent with State aid rules. To that end, the Commission has announced that it will formulate a set of core principles, for the purpose of State aid assessments, which a project will have to meet to be eligible for support under the EFSI. If a project meets these criteria and receives support from the EFSI, the Commission has announced that any national complementary support will be assessed under a simplified and accelerated State aid assessment whereby the only additional issue to be verified by the Commission will be the proportionality of public support (absence of overcompensation). The Commission has also announced that it will provide further guidance on the set of core principles with a view to ensuring an efficient use of public funds. <i>On this basis, the Commission should undertake to apply a simplified procedure, albeit in a uniform manner, where State aid rules apply to infrastructure financing.</i></p>

Reason
It is important to prevent disparities in the treatment of infrastructure investment projects supported by the EFSI and those co-financed by Member States/regions so as to ensure the same approval timeframes and procedures, since the State aid rules cannot be applied unconditionally.

Amendment 13

Recital 25

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
(25) The EIB should regularly evaluate activities supported by the EFSI with a view to assessing their relevance, performance and impact and to identifying aspects that could improve future activities. Such evaluations should contribute to accountability and analysis of sustainability.	(25) The EIB and the Commission should regularly evaluate activities supported by the EFSI with a view to assessing their relevance, performance and impact as well as their consistency and coordination with other Union policies and instruments, and in particular with the support from the European Structural and Investment Funds , and to identifying aspects that could improve future activities. Such evaluations should contribute to accountability and analysis of sustainability.

Amendment 14

Recital 25a (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	(25a) The Advisory Committee monitors the financing policy of the EFSI, which submits a six-monthly summary of its activities to it. The Advisory Committee issues an opinion and draws up recommendations on eligibility criteria, theme-based and geographical distribution of investments and their additionality, as well as on their social and environmental impact. It is composed of equal numbers of representatives of the CoR and the European Economic and Social Committee (EESC).

<i>Reason</i>
The economic and social partners and local and regional authorities are best placed to gauge the real

impact of the investments undertaken.

Amendment 15

Recital 26

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
(26) Alongside the financing operations that will be conducted through the EFSI, a European Investment Advisory Hub ('EIAH') should be created. The EIAH should provide strengthened support for project development and preparation across the Union, by building on the expertise of the Commission, the EIB, national promotional banks and the managing authorities of the European Structural and Investment Funds. This should establish a single point of entry for questions related to technical assistance for investments within the Union.	(26) Alongside the financing operations that will be conducted through the EFSI, a European Investment Advisory Hub ('EIAH') should be created. The EIAH should provide strengthened support for project development and preparation across the Union, by building on the expertise of the Commission, the EIB, national promotional banks and the managing authorities of the European Structural and Investment Funds. This should establish a single point of entry for questions related to technical assistance for investments within the Union. <i>The EIAH should enable Member States and regions across the Union to benefit from free expertise so as to ensure fair access to EFSI financing. The regions could propose targeted initiatives to the EIAH to coordinate the technical assistance at regional or supra-regional level and thus optimise the available funds.</i>

Amendment 16

Recital 29

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
(29) <i>To partially finance the</i> contribution from the Union budget, <i>the available envelopes of the Horizon 2020 – the Framework Programme for Research and Innovation 2014-2020, provided by Regulation (EU) No 1291/2013 of the European Parliament and of the Council [1], and the Connecting Europe</i>	(29) <i>The</i> contribution from the Union budget <i>will be progressively authorised by</i> the European Parliament and the Council <i>in the framework of the annual budgetary procedures up to 2020. In particular, appropriations from the EU budget that are unspent at the end of the budgetary year should be systematically transferred to the</i>

Facility, provided by Regulation (EU) No 1316/2013 of the European Parliament and of the Council[2], should be reduced. Those programmes serve purposes that are not replicated by the EFSI. However, the reduction of both programmes to finance the guarantee fund is expected to ensure a greater investment in certain areas of their respective mandates than is possible through the existing programmes. The EFSI should be able to leverage the EU guarantee to multiply the financial effect within those areas of research, development and innovation and transport, telecommunications and energy infrastructure compared to if the resources had been spent via grants within the planned Horizon 2020 and Connecting Europe Facility programmes. It is, therefore, appropriate to redirect part of the funding presently envisaged for those programmes to the benefit of EFSI.

guarantee fund. For this purpose, the budgetary authority should make use, where appropriate, of all available flexibility mechanisms and other relevant provisions under Council Regulation (EU, Euratom) No 1311/2013.

[1] Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104).

[2] Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129).

Amendment 17

Recital 29a (new)

Text proposed by the Commission	CoR amendment
	<p>(29a) The budgets for the Horizon 2020 programme and Connecting Europe Facility should be reduced only after all options for flexibility under the European budget have been exhausted.</p>

	<p><i>Should cuts in the budget for Horizon 2020 prove to be unavoidable, they should be designed to ensure that they do not jeopardise the full implementation of Horizon 2020 or undermine the particular importance of basic research. In this case, the "access to risk finance" component should make a clear contribution to the financing of the EFSI. Where it is impossible to avoid using Horizon 2020 resources in connection with the fund, they should be used for their original purpose, and there should be opportunities for universities and research institutions to participate.</i></p> <p><i>Reducing the budget for the Connecting Europe Facility will in no way affect the amount transferred from the Cohesion Fund and earmarked for transport projects in the Member States eligible for this fund.</i></p>
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<i>Reason</i>
<p>Research and innovation projects financed by Horizon 2020 are already making direct and significant contributions to European innovation and competitiveness; this well established programme should therefore not be undermined. Where it is unavoidable for the EFSI to encroach on Horizon 2020, the criteria must ensure that the EFSI strengthens Europe's potential for innovation.</p>

Amendment 18

Recital 31

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>(31) Within the Union, there are a significant number of potentially viable projects that are not being financed due to a lack of certainty and transparency with respect to such projects. Often, this is because private investors are not aware of the projects or have insufficient information to make an assessment of the investment risks. The Commission and the EIB, with support from the Member States, should</p>	<p>(31) Within the Union, there are a significant number of potentially viable projects that are not being financed due to a lack of certainty and transparency with respect to such projects. Often, this is because private investors are not aware of the projects or have insufficient information to make an assessment of the investment risks. The Commission and the EIB, with support from the Member States and their</p>

<p>promote the creation of a transparent pipeline of current and future investment projects in the Union suitable for investment. This 'project pipeline' should ensure that information is made publicly available regarding investment projects on a regular and structured basis to ensure that investors have reliable information on which to base their investment decisions.</p>	<p>local and regional authorities, should promote the creation of a transparent pipeline of current and future investment projects in the Union suitable for investment. This 'project pipeline' should ensure that information is made publicly available regarding investment projects on a regular and structured basis to ensure that investors have reliable information on which to base their investment decisions.</p>
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Amendment 19

Recital 31a (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>(31a) If projects are to be included in the project pipeline for visibility reasons, it will be necessary to provide, in addition to information on the economic viability of the projects, information on compliance with social and environmental requirements and compatibility with the aims of the regional development strategies. A six-monthly summary report will be sent to the Advisory Committee.</i></p>

Amendment 20

Recital 32

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>(32) Member States have also begun work at national level on establishing and promoting project pipelines for projects of national significance. The information prepared by the Commission and the EIB should provide links to the accompanying national project pipelines.</p>	<p>(32) Member States have also begun work at national level on establishing and promoting project pipelines for projects of national, <i>regional and local</i> significance. <i>This work has also been undertaken for cross-border projects involving cooperation between different Member States. Furthermore these Member States shall work together with local and regional authorities in line with the subsidiarity principle.</i> The</p>

	<p>information prepared by the Commission and the EIB should provide links to the accompanying national and cross-border project pipelines.</p> <p>Regional and local authorities including regional innovation platforms, regional development agencies and management authorities of the European Structural and Investment Funds are a crucial source of information on current and future investment opportunities.</p>
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Reason
<p>It is crucial that both the regional and local level be involved in establishing project pipelines.</p> <p>It is important to stress that Member States have begun coordinating with each other to present large-scale cross-border projects in the context of the EFSI.</p>

Amendment 21

Recital 34

Text proposed by the Commission	CoR amendment
<p>(34) To ensure accountability to European citizens, the EIB should regularly report to the European Parliament and the Council on the progress and impact of the EFSI.</p>	<p>(34) To ensure accountability to European citizens, the Commission and the EIB should regularly report to the European Committee of the Regions, the European Parliament and the Council on the progress and impact of the EFSI and its complementarity with other EU policies and instruments.</p>

Reason
<p>Regional and local authorities are close to European citizens, which improves accountability.</p>

Amendment 22

Article 1 - paragraph 1a (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	1a. The Commission and the European Investment Bank (EIB) shall ensure that the support granted by the EFSI is consistent with and complements the other policies and instruments of the EU.

Amendment 23

Article 1 – paragraph 2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The EFSI Agreement shall be open to accession by Member States. Subject to the consent of existing contributors, the EFSI Agreement shall also be open to accession by other third parties, including national promotional banks or public agencies owned or controlled by Member States, and private sector entities.	The EFSI Agreement shall be open to accession by Member States. Subject to the consent of existing contributors, the EFSI Agreement shall also be open to accession by other third parties, including national promotional banks, regional development banks or public agencies owned or controlled by Member States or local and regional authorities, development agencies answering to regional authorities and private sector entities.

<i>Reason</i>
There should be a possibility for regional and local access to the EFSI Agreement in the legislative proposal. To involve the regions in managing these new instruments.

Amendment 24

Article 1a (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>For the purposes of the present regulation, the following definition shall apply:</i></p> <p><i>(1) "National promotional banks or institutions" means legal entities carrying out a financial activity on a professional basis and upon which are conferred a public mandate by a Member State, whether at central, regional or local level, to carry out public development or promotional activities on a non-commercial basis, seeking to address market failures;</i></p> <p><i>(2) "Investment platform" shall be taken to mean a co-financing, risk sharing or other financial contribution mechanism established to finance a project or group of projects. An investment platform may be regional, national, cross-border or sectoral, whose aim is to ensure coherence with local and regional investment strategies and, if appropriate, the operational programmes of the European Structural and Investment Funds.</i></p>

<i>Reason</i>
<p>In order to generate genuine additionality of investments, it is important to harness networks of local or professional players to propose, accompany and co-finance projects, given that they are more aware of the opportunities and can thus more accurately appraise the risks involved. It is also important to be able to include smaller projects in each group provided they comply with a policy of investment validated by the fund.</p>

Amendment 25

Article 2 - paragraph 2 – point 2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>To meet that objective, the EIAH shall use the expertise of the EIB, the Commission, national promotional banks and the managing authorities of the European Structural and Investment Funds.</p>	<p>To meet that objective, the EIAH shall use the expertise of:</p> <ul style="list-style-type: none"> – the EIB; – the Commission; – national promotional banks; – regional development banks and/or agencies; – managing authorities of the European Structural and Investment Funds. <p><i>In particular, regions may request technical assistance from the EIAH as regards finalising operations at regional or supra-regional level.</i></p>

<i>Reason</i>
<p>Expertise at a regional level needs to be safeguarded in the EIAH.</p> <p>Given that they have a clear overview of the investment needs in their own areas, it should be possible for the regions, either individually or in cooperation with each other, to directly trigger technical assistance so as to better optimise initiatives and related resources.</p>

Amendment 26

Article 3 - paragraph 5 – point 1a (new)

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
	<p><i>The Investment Committee shall take into account the objective of the economic, social and territorial cohesion of the EU.</i></p>

Amendment 27

Article 4

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>EU Guarantee</p> <p>The Union shall provide a guarantee to the EIB for financing or investment operations carried out within the Union covered by this Regulation ('EU guarantee'). The EU guarantee shall be granted as a guarantee on demand in respect of instruments referred to in Article 6.</p>	<p>Article 4</p> <p>EU Guarantee</p> <p>The Union shall provide an irrevocable and unconditional guarantee for financing or investment operations carried out within the Union, including cross-border cooperation between Member States and a third country, covered by this Regulation ('EU guarantee'). The EU guarantee shall be granted as a guarantee on demand in respect of instruments referred to in Article 6.</p>

<i>Reason</i>
Self-explanatory.

Amendment 28

Article 5 – paragraph 2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>2. The EU guarantee shall be granted for EIB financing and investment operations approved by the Investment Committee referred to in Article 3(5) or funding to the EIF in order to conduct EIB financing and investment operations in accordance with Article 7(2). The operations concerned shall be consistent with Union policies and support any of the following general</p>	<p>2. The EU guarantee shall be granted for EIB financing and investment operations approved by the Investment Committee referred to in Article 3(5) or funding to the EIF in order to conduct EIB financing and investment operations in accordance with Article 7(2). The EFSI shall target projects ensuring additionality over existing operations. The Commission, the EIB and the Member States shall ensure that all the</p>

<p>objectives:</p> <ul style="list-style-type: none"> (a) development of infrastructure, including in the areas of transport, particularly in industrial centres; energy, in particular energy interconnections; and digital infrastructure; (b) investment in education and training, health, research and development, information and communications technology and innovation; (c) expansion of renewable energy and energy and resource efficiency; (d) infrastructure projects in the environmental, natural resources, urban development and social fields; (e) providing financial support for the companies referred to in Article 1(1), including working capital risk financing. <p>In addition, the EU guarantee shall be granted for support of dedicated investment platforms and national promotional banks, via the EIB, that invest in operations meeting the requirements of this Regulation. In that case, the Steering Board shall specify policies regarding eligible investment platforms.</p>	<p>investments with the support of the EFSI take into consideration their impact by sector at local and regional level on economic, social and territorial cohesion; the operations concerned shall be consistent with Union policies and support any of the following general objectives:</p> <ul style="list-style-type: none"> (a) development of disaster-resilient infrastructure in the areas of transport; energy, in particular energy interconnections; and digital infrastructure; (b) investment in education and training, health, research and development, digitisation of public services, digital applications and innovation; (c) expansion of renewable energy and energy and resource efficiency; (d) infrastructure projects in the environmental, natural resources, urban development and social fields; (e) providing financial support for the companies referred to in Article 1(1), including working capital risk financing. <p>In addition, the EU guarantee shall be granted for support of dedicated investment platforms and national and/or regional promotional banks, via the EIB, that invest in operations meeting the requirements of this Regulation. In that case, the Steering Board shall specify policies regarding eligible investment platforms.</p>
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Amendment 29

Article 9 – paragraph 1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The Commission and the EIB, with support from the Member States, shall promote the creation of a transparent pipeline of current and potential future investment projects in the Union. The pipeline is without prejudice to the final projects selected for support according to Article 3(5).	The Commission and the EIB, with support from the Member States <i>and in close cooperation and partnership with regional and local authorities,</i> shall promote the creation of a transparent pipeline of current and potential future investment projects in the Union <i>providing information on the projects' economic viability and impact in terms of sustainable development and compliance with the aims of the regional development strategies.</i> The pipeline is without prejudice to the final projects selected for support according to Article 3(5).

Amendment 30

Article 9 – paragraph 2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The Commission and the EIB shall develop, update and disseminate, on a regular and structured basis, information on current and future investments which significantly contribute to achieving EU policy objectives.	The Commission and the EIB shall develop, update and disseminate, on a regular and structured basis, information on current and future investments which significantly contribute to achieving EU policy objectives <i>of economic, social and territorial cohesion.</i>

Amendment 31

Article 9 – paragraph 3

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
Member States shall develop, update and disseminate, on a regular and structured basis,	Member States <i>together with regional and local authorities</i> shall develop, update and

information on current and future investment projects in their territory.	disseminate, on a regular and structured basis, information on current and future investment projects in their territory.
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Amendment 32

Article 10 – paragraph 1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>The EIB, in cooperation with the EIF as appropriate, shall report semi-annually to the Commission on EIB financing and investment operations under this Regulation. The report shall include an assessment of compliance with the requirements on the use of the EU guarantee and the key performance indicators established pursuant to Article 2(1)(g). The report shall also include statistical, financial and accounting data on each EIB financing and investment operation and <i>on an aggregated basis.</i></p>	<p>The EIB, in cooperation with the EIF as appropriate, shall report semi-annually to the Commission on EIB financing and investment operations under this Regulation. The report shall include an assessment of compliance with the requirements on the use of the EU guarantee and the key performance indicators established pursuant to Article 2(1)(g). The report shall also include statistical, financial and accounting data on each EIB financing and investment operation and <i>on their social and environmental impact. It shall list the projects for which European Structural and Investment Fund support is combined with EFSI support and the total contribution from each source. A summary of this report shall be sent to the Advisory Committee for its opinion (see Amendment 8).</i></p>

Amendment 33

Article 10 – paragraph 6

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The Commission shall, by 30 June of each year, send to the European Parliament, the Council and the Court of Auditors an annual report on the situation of the guarantee fund and the management thereof in the previous calendar year.	The Commission shall, by 30 June of each year, send to the European Parliament, the Council, the European Committee of the Regions and the Court of Auditors an annual report on the situation of the guarantee fund and the management thereof in the previous calendar year. This report shall be made public.

<i>Reason</i>
This amendment ensures better accountability towards European citizens by involving regional and local authorities.

Amendment 34

Article 12 – paragraph 1 – indent 1

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
At the latest [PO insert date: 18 months after the entry into force of this Regulation] the EIB shall evaluate the functioning of the EFSI. The EIB shall submit its evaluation to the European Parliament, the Council and the Commission.	At the latest [PO insert date: 18 months after the entry into force of this Regulation] the EIB shall evaluate the functioning of the EFSI. The EIB shall submit its evaluation to the European Parliament, the Council, the Commission and the European Committee of the Regions.

<i>Reason</i>
Local and regional authorities should be able to have access to an evaluation on the ESIF by the EIB.

Amendment 35

Article 12 – paragraph 1 – indent 2

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
At the latest [PO insert date: 18 months after the entry into force of this Regulation] the Commission shall evaluate the use of the EU guarantee and the functioning of the guarantee fund, including the use of endowments according to Article 8(9). The Commission shall submit its evaluation to the European Parliament and the Council.	At the latest [PO insert date: 18 months after the entry into force of this Regulation] the Commission shall evaluate the use of the EU guarantee and the functioning of the guarantee fund, including the use of endowments according to Article 8(9). The Commission shall submit its evaluation to the European Parliament and the Council. <i>In the context of the MFF midterm review appropriate proposals should be made in view of redirecting to the guarantee any available funding from programmes other than those that are covered by recitals 18 and 19 of this Regulation.</i>

<i>Reason</i>
The Commission should explore different options for funding apart from the Connecting Europe Facility and Horizon 2020.

Amendment 36

Article 12 – paragraph 4

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
The EIB and EIF shall on a regular basis provide the European Parliament, the Council <i>and</i> the Commission with all their independent evaluation reports which assess the practical results achieved by the specific activities of the EIB and EIF under this Regulation.	The EIB and EIF shall on a regular basis provide the European Parliament, the Council, the Commission <i>and the European Committee of the Regions</i> with all their independent evaluation reports which assess the practical results achieved by the specific activities of the EIB and EIF under this Regulation.

<i>Reason</i>
Regional and local authorities should be able to have access to independent evaluation reports on EFSI.

Amendment 37

Article 12 – paragraph 5

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
At the latest [PO insert date three years after the entry into force of this Regulation], the Commission shall submit a report to the European Parliament and the Council on the application of this Regulation accompanied by any relevant proposal.	At the latest [PO insert date three years after the entry into force of this Regulation], the Commission shall submit a report to the European Parliament, the Council and the European Committee of the Regions on the application of this Regulation, including assessment of the value added of the EFSI and its additionality to existing EU funding instruments , accompanied by any relevant proposal.

<i>Reason</i>
Self-explanatory.

Amendment 38

Article 18

<i>Text proposed by the Commission</i>	<i>CoR amendment</i>
<p>Regulation (EU) No 1291/2013 is hereby amended as follows:</p> <p>1) In Article 6, paragraphs 1, 2 and 3 are replaced by the following:</p> <p>'1. The financial envelope for the implementation of Horizon 2020 is set at EUR 74 328,3 million in current prices, of</p>	

which a maximum of EUR 71 966,9 million shall be allocated to activities under Title XIX TFEU.

The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework.

2. The amount for activities under Title XIX TFEU shall be distributed among the priorities set out in Article 5(2) of this Regulation as follows:

a) Excellent science, EUR 23 897,0 million in current prices;

b) Industrial leadership, EUR 16 430,5 million in current prices;

c) Societal challenges, EUR 28 560,7 million in current prices.

The maximum overall amount for the Union financial contribution from Horizon 2020 to the specific objectives set out in Article 5(3) and to the non-nuclear direct actions of the JRC shall be as follows:

i) Spreading excellence and widening participation, EUR 782,3 million in current prices;

ii) Science with and for society, EUR 443,8 million in current prices;

iii) Non-nuclear direct actions of the JRC, EUR 1 852,6 million in current prices.

The indicative breakdown for the priorities and specific objectives set out in Article 5(2) and (3) is set out in Annex II.

3. The EIT shall be financed through a maximum contribution from Horizon 2020 of EUR 2 361,4 million in current prices as set out in Annex II.'

2) Annex II is replaced by the text in Annex

<i>I to this Regulation.</i>	
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<i>Reason</i>
This amendment is in line with point 4 of the draft opinion's policy recommendations and amendment 75 of the draft report of the European Parliament's Bullmann/Fernandes report.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

1. welcomes the Investment Plan for Europe and the EFSI regulation as proposed by the European Commission in order to boost investments in the Union;
2. points out that the European Fund for Strategic Investments is only one component of the Investment Plan; the project pipeline, the Investment Hub and structural reforms that have positive social and economic effects and help to improve administrative capacity are also necessary for the plan to succeed; therefore calls upon the Commission, in line with its communication of 13 January 2015 on *Making the best use of the flexibility within the existing rules of the stability and growth pact* COM(2015) 12, to specify the scope of the structural reforms it wishes to promote at European level while respecting the subsidiarity principle;
3. notes that the mechanism of the Investment Plan chiefly comprises a guarantee fund intended to finance riskier projects;
4. is concerned that the EUR 16 billion guarantee has been drawn from redeployed appropriations initially earmarked for the Connecting Europe Facility and Horizon 2020; the Committee draws the Commission's attention to the disastrous repercussions for ongoing projects which are in fact in line with the EU's priorities and points out that loans or guarantees are not adequate support for many basic research projects and research institutes with high international reputations;
5. therefore asks for the Investment Plan to draw primarily on unspent funds from the EU budget that would otherwise have to be returned to Member States. The budgets for Horizon 2020 and the Connecting Europe Facility should be reduced only after all options for flexibility under the European budget have been exhausted;
6. calls on the European Commission to explore in the context of the MFF midterm review the possibilities under the Union Budget for redirecting the available funding to the EU guarantee from programmes other than the Horizon 2020 and the CEF;

7. considers it important to guarantee the high quality of projects, and to ensure that local small-scale projects can also benefit from the EFSI; in that respect, technical assistance and advice for local authorities is crucial;
8. asks to be fully involved in monitoring and implementing the Investment Plan for Europe. Local and regional authorities have a key role to play in identifying, planning and supporting additional investments in their territories. With this in mind, it is crucial to ensure that the EFSI is consistent with local and regional investment strategies and the operational programmes of the European Structural and Investment Funds. The best method for involving local and regional authorities, Member States and national and/or regional development banks and institutions in the success of the EFSI is geographical or theme-based financing platforms. The degree of delegation and financing arrangements for these platforms need to be specified;
9. notes that the Investment Plan would need significant efforts to be made to overcome a number of challenges: ensuring that the fund is business-friendly in its design so as to attract private funds; ensuring that as the project pipeline develops, the Investment Plan's European Fund for Strategic Investments (EFSI) is not seen as an EU subsidy for non-viable national projects; ensuring coordination between existing Funds such as Horizon 2020 and the EFSI, which both target research and innovation;
10. notes that in order to overcome these challenges, the current programming period (2014-2017) will need to be more results focused – this can be achieved through working with local and regional authorities. To ensure that the projects selected for the EFSI deliver the intended local results, its Investment Committee, which will be tasked with selecting projects, must also be open to local and regional consultations. A results-focused approach will also require increasing the use of EU funds by increasing the synergies between the various EU funds available and by making the funds more user-friendly;

11. considers that a further prerequisite for the success of the Investment Plan is that co-financing must not be curbed by the Stability and Growth Pact. The Committee therefore calls for national co-financing to be exempt from Stability and Growth Pact calculations, irrespective of the Member States' situation with regard to the pact. This request is in line with the Committee's broader request for national co-financing of European Structural Funds to be exempt from Stability and Growth Pact rules;
12. points out that infrastructure investments made by the EFSI must be disaster-resilient. Action now is far more cost-effective than retrofitting unsafe buildings¹;
13. in order to ensure that the Investment Plan is monitored effectively, further suggests that an Advisory Committee composed of EESC and CoR members be established to draw up recommendations for the Commission on the fund's investment policy;
14. calls on Member States to closely involve local and regional authorities in establishing and promoting project pipelines to improve the good governance of the EFSI;
15. calls on the Commission and EIB to develop in cooperation with the CoR a set of criteria for the project selection and procedures for the follow-up; it highlights that the speed should not take over the quality of the projects;
16. calls on the EC and EIB to involve the CoR as an observer in the Steering Board and in the Investment Committee;
17. notes that the draft regulation touches upon either areas of shared competences between the European Union (EU) and the Member States or areas where the EU has the competence to support, coordinate or supplement the actions of the Member States². As its main objective is to contribute to a relaunch of investments at European level with clear transnational aspects, the CoR considers that the draft regulation is compliant with the principle of subsidiarity. With regard to the proportionality principle, the CoR considers that the draft regulation is the

¹ See opinion CdR 2014/02646.

² Articles 172 (Trans-European networks), 173 (Industry), 175 (3) (Economic, social and territorial cohesion) and 182 (1) (Research and technological development and space).

appropriate legal instrument, because its financial provisions need to be directly applicable in all Member States;

18. the LRAs should receive the report on the evaluation and functioning of the EFSI and contribute to ameliorating the Plan as they are the closest ones to identify the problems and propose the solutions given the various situations on the ground;
19. stresses the importance of taking account of environment and natural resources in the rules governing the use of the EU guarantee. The scope and general objectives set out in the proposal for a regulation should be extended to include climate protection and sustainability;
20. emphasises that it is crucial for EFSI investment guidelines to ensure that it can be accessible to smaller-scale projects, especially those that contribute to job creation and economic growth and that address regional disparities; and that the governance structures of the Fund recognise that in some regions, smaller-scale projects can equate to strategic investments as they can have significant leverage effects.

Brussels, 16 April 2015

The President
of the
European Committee of the Regions

Markku Markkula

The Secretary-General
of the
European Committee of the Regions

Jiří Buriánek

III. PROCEDURE

Title	Investment Plan and European Fund for Strategic Investments
Reference(s)	COM(2014) 903 final COM(2015) 10 final
Legal basis	Article 307 of the Treaty on the Functioning of the European Union
Procedural basis	Rule 41a) of the CoR Rules of Procedure
Date of Council/EP referral/Date of Commission letter	Letter from the Commission on the communication: 26 November 2014 Letter from the Commission on the proposal for a regulation: 13 January 2015 Council referral: 3 March 2015
Date of Bureau/President's decision	17 December 2014
Commission responsible	Commission for Territorial Cohesion Policy and the EU Budget (COTER)
Rapporteur-general	Claude Gewerc (FR/PES) President of Picardy Regional Council
Analysis	10 February 2015
Discussed in commission	General exploratory debate (Rule 43(4) of the Rules of Procedure) on 2 March 2015
Date adopted by commission	N/A
Result of the vote in commission (majority, unanimity)	N/A
Date adopted in plenary	16 April 2015

Previous Committee opinions	Opinion of the Committee of the Regions - Promoting quality of public spending in matters subject to EU action (CdR 2014/4885) ³ Resolution of the Committee of the Regions on the European Commission's Communication - For an investment plan for Europe (CdR 2014/6881) ⁴
Date of subsidiarity monitoring consultation	N/A

3 [OJ C 19, 21.1.2015, p. 4.](#)

4 [OJ C 19, 21.1.2015, p. 1.](#)