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#### COVER NOTE

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From:	General Secretariat of the Council
To:	Delegations
Subject:	OPINION of the European Committee of the Regions - Proposal for a Regulation of the European Parliament and of the Council establishing the InvestEU Programme [COM(2018) 439 final – 2018/0229 (COD)]

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Delegations will find attached the abovementioned opinion. Please note that other language versions should be available at:

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**European Committee  
of the Regions**

**ECON-VI/039**

**132nd plenary session, 5-6 December 2018**

## **OPINION**

### **The InvestEU Programme**

#### THE EUROPEAN COMMITTEE OF THE REGIONS

- welcomes the European Commission's ambition to further support investment in Europe, by building on the experience acquired with the European Fund for Strategic Investments (EFSI) and the Investment Plan more broadly, through its proposal establishing the InvestEU Programme;
- demands that the economic, social and territorial cohesion of the Union be included among the objectives of the InvestEU Programme, in particular since the proposal's legal basis comprises the third paragraph of Article 175 of the Treaty on the Functioning of the European Union which focuses on cohesion; believes it is of the utmost importance that InvestEU be geographically balanced and that it be targeted as a matter of priority at regions suffering from a significant and persistent lack of investment and at particularly vulnerable and remote areas such as the outermost regions;
- reaffirms its position that InvestEU should neither replace nor compete with existing EU social cohesion mechanisms;
- defends the principle that the managing authorities of the European Structural and Investment Funds (ESIF) be able to pay up to 5% of those funds to the InvestEU programme on a voluntary basis and in accordance with the principles of a code of conduct for the partnership and multi-level governance to be set out in Article 6 of the framework regulation laying down common provisions for ESIF. This contribution has the potential to address country-specific or region-specific market failures and sub-optimal investment situations in a way that a centralised EU tool cannot;
- calls on the co-legislators to keep the exemption for public implementing bodies from fees charged for services of the InvestEU Advisory Hub, as is the case for the existing EIAH under Article 14(4) of the EFSI Regulation, and which is crucial to help foster quality public investment, in particular among smaller public entities and those with less experience of financial instruments and complex projects.

Rapporteur

Konstantinos Agorastos (EL/EPP), Governor of the Region of Thessaly

Reference

Proposal for a Regulation of the European Parliament and the Council establishing the InvestEU Programme COM(2018) 439 final

## Opinion of the European Committee of the Regions – The InvestEU Programme

### I. RECOMMENDATIONS FOR AMENDMENTS

Custom comment # 001/017 inserted by Cécile Eclache on 06/12/2018 12:32:48.

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(\* AM 1 \*)

#### Amendment 1

##### Recital 1

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>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.</p>	<p>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. <b><i>In absolute terms, total investment remains below pre-crisis levels in 11 Member States, and was more than 25% lower in 2015 than in 2007 in more than 40 regions across the EU.</i></b> Thus, while a recovery in investment-to-GDP ratios in the Union can be observed, <b><i>it is unevenly distributed, particularly in outlying and/or border regions between Member States, and between Member States and non-EU countries,</i></b> and 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, <b><i>and above all in regions that lag behind, to achieve the Union's policy objectives. In these regions that are lagging behind, the emphasis should be on investment that develops their endogenous potential, targets comparative competitive advantages and is geared to their specific needs.</i></b></p>

**Reason**

The unevenness of investment trends across Member States and regions should be highlighted, as well as the need to close the investment gap, especially in regions suffering from a significant and persistent lack of investment.

**Amendment 2**

Recital 4

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
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 from the European Structural and Investment Funds, the European Investment Stabilisation Function and the InvestEU Fund, where relevant.	At Union level, the European Semester of economic policy coordination, <b><i>which needs to be reformed before the start of the next programming period to bring it in line with the implementation of the Sustainable Development Goals</i></b> , 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 from the European Structural and Investment Funds, the European Investment Stabilisation Function and the InvestEU Fund, where relevant.

Custom comment # 002/017 inserted by Cécile Eclache on 06/12/2018 12:37:27.

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(\* AM 2 \*)

Custom comment # 003/017 inserted by Cécile Eclache on 06/12/2018 12:40:35.

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(\* AM 3 \*)

Custom comment # 004/017 inserted by Cécile Eclache on 06/12/2018 12:43:26.

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(\* AM 4 \*)

### Amendment 3

#### Recital 5

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>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.</p>	<p>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, <b><i>adaptability to change</i></b> and inclusiveness <b><i>of the Union, the economic, social and territorial cohesion of the Union,</i></b> and the integration of the Union capital markets, including solutions addressing their fragmentation and diversifying sources of financing for the Union enterprises, <b><i>with a special emphasis on SMEs.</i></b> To that end, it should support projects that are technically and economically viable <b><i>and meet a sustainability impact assessment</i></b> 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 <b><i>financial</i></b> 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 <b><i>in coordination with the European Structural and Investment Funds.</i></b></p>

#### *Reason*

The proposal is based on Article 173 (Industry) and the third paragraph of Article 175 (Economic, Social and Territorial Cohesion) of the Treaty on the Functioning of the European Union (TFEU). The latter should also be reflected in the general objectives of the InvestEU Programme, in particular in view of the national and regional disparities that exist with regard to investment. In order to achieve the necessary financing for businesses, especially SMEs, it needs to be ensured that the various tools and instruments, including InvestEU and the Structural Funds, are available and coordinated, in view of the existing national and regional disparities.

### Amendment 4

#### Recital 9

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Reflecting the importance of tackling climate change in line with the Union's commitments to	Reflecting the importance of tackling climate change in line with the Union's commitments to

<p>implement the Paris Agreement and the United Nations Sustainable Development Goals, the InvestEU Programme will contribute to mainstream climate actions and to the achievement of an overall target of <b>25</b> % of the Union budget expenditures supporting climate objectives. Actions under the InvestEU Programme are expected to contribute <b>30</b> % of the overall financial envelope of the InvestEU Programme to climate objectives. Relevant actions will be identified during the InvestEU Programme's preparation and implementation and reassessed in the context of the relevant evaluations and review processes.</p>	<p>implement the Paris Agreement and the United Nations Sustainable Development Goals, the InvestEU Programme will contribute to mainstream climate actions and to the achievement of an overall target of <b>30</b> % of the Union budget expenditures supporting climate objectives. Actions under the InvestEU Programme are expected to contribute <b>35</b> % of the overall financial envelope of the InvestEU Programme to climate objectives. Relevant actions will be identified during the InvestEU Programme's preparation and implementation and reassessed in the context of the relevant evaluations and review processes.</p>
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<b><i>Reason</i></b>
Efforts to meet the UN Sustainable Development Goals and obligations under the Paris Agreement must be taken into account.

### Amendment 5

#### Recital 11

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
<p>According to the 2018 Global Risks Report issued by the World Economic Forum, half of the ten most critical risks threatening the global economy relate to the environment. Such risks include air, soil and water pollution, extreme weather events, biodiversity losses and failures of climate-change mitigation and adaptation. Environmental principles are strongly embedded in the Treaties and many of the Union's policies. Therefore, the mainstreaming of environmental objectives should be promoted in the InvestEU Fund related operations. Environmental protection and related risk prevention and management should be integrated in the preparation and implementation of investments. The EU should also track its biodiversity-related and air pollution control-related expenditure in order to fulfil the reporting obligations under the Convention on Biological Diversity and Directive (EU) 2016/2284 of the European Parliament and of the Council[1] Investment allocated to environmentally sustainability objectives should</p>	<p>According to the 2018 Global Risks Report issued by the World Economic Forum, half of the ten most critical risks threatening the global economy relate to the environment. Such risks include air, soil and water pollution, extreme weather events, biodiversity losses and failures of climate-change mitigation and adaptation. Environmental principles are strongly embedded in the Treaties and many of the Union's policies. Therefore, the mainstreaming of environmental <b><i>and disaster resilience</i></b> objectives should be promoted in the InvestEU Fund related operations. Environmental protection and related risk prevention and management should be integrated in the preparation and implementation of investments. The EU should also track its biodiversity-related and air pollution control-related expenditure in order to fulfil the reporting obligations under the Convention on Biological Diversity and Directive (EU) 2016/2284 of the European Parliament and of the Council[1] Investment allocated to environmentally</p>

therefore be tracked using common methodologies coherent with that developed under other Union programmes applying to climate, biodiversity and air pollution management in order to allow assessing the individual and combined impact of investments on the key components of the natural capital, including air, water, land and biodiversity.	sustainability objectives should therefore be tracked using common methodologies coherent with that developed under other Union programmes applying to climate, biodiversity and air pollution management in order to allow assessing the individual and combined impact of investments on the key components of the natural capital, including air, water, land and biodiversity.
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<b>Reason</b>
To remain consistent with the CoR's opinion on Review of the EU Civil Protection Mechanism.

Custom comment # 005/017 inserted by Cécile Eclache on 06/12/2018 12:50:58.  
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(\* AM 5 \*)

Custom comment # 006/017 inserted by Cécile Eclache on 06/12/2018 12:51:09.  
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(\* AM 6 \*)

**Amendment 6**  
Recital 17

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
As set out in the reflection paper on the social dimension of Europe <sup>16</sup> and the European Pillar of Social Rights <sup>17</sup> , 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 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	As set out in <b><i>Article 9 of the Treaty on the Functioning of the European Union</i></b> , the reflection paper on the social dimension of Europe <sup>16</sup> and the European Pillar of Social Rights <sup>17</sup> , 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, <b><i>skills, the search for a first job</i></b> 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 <b><i>and aimed at sectors that face difficulties due to labour shortages and adaptation to new technologies</i></b> . The InvestEU Fund should be used to support investment in education and training, help increase employment, in particular among the unskilled, <b><i>recent graduates</i></b> and long-term unemployed,



<p>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 Europe<sup>18</sup> 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.</p>	<p><i>develop the creation of new "employment niches" providing for new opportunities for first access to the labour market</i> and improve the situation with regard to intergenerational solidarity, the health sector, <b>housing</b>, homelessness, digital inclusiveness, community development, the role and place of young people in society <i>and the labour market</i> 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, <i>and strengthen the links between businesses and training centres</i>, 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 Europe<sup>18</sup> has identified investment gaps in social infrastructure and services, including for education, training, <b>skills</b>, 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.</p>
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<b>Reason</b>
The reference to housing is introduced on the basis of Principle 19 of the European Pillar of Social Rights.

### Amendment 7

#### Recital 19

<b>Text proposed by the European Commission</b>	<b>CoR amendment</b>
<i>Each policy window should be composed of two</i>	<i>The policy windows should address Union-wide</i>

<p><i>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.</i></p>	<p>market failures or sub-optimal investment situations in a proportionate manner; supported actions should have a clear European added value. Actions supported from the InvestEU Fund should not duplicate or crowd out private financing or distort competition in the internal market.</p>
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<b>Reason</b>
<p>The added value of the compartments is unclear, especially since every project co-funded by InvestEU must have European added value. In addition to the administrative complexity of the division into compartments, the CoR should oppose any incentive to Member States to withdraw their funds from cohesion policy projects. In any case, the CoR must adopt its position in accordance with its opinion on Article 10 of the CPR and the corresponding InvestEU mechanism.</p>

### Amendment 8

Recital 20

<b>Text proposed by the European Commission</b>	<b>CoR amendment</b>
<p><i>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</i></p>	

*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 XXXX (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.*

[1]

**Reason**

Same reasoning as for the amendment to Recital 19.

Custom comment # 007/017 inserted by Cécile Eclache on 06/12/2018 12:57:27.

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(\* AM 8 \*)

**Amendment 9**

New Recital after Recital 24

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>The InvestEU Fund should be provided with an appropriate governance structure the function of which should be commensurate with its sole purpose of ensuring the appropriate use of the EU guarantee. That governance structure should be composed of an Advisory Board, a Steering Board and an Investment Committee.</i>

	<i>The Commission should assess the compatibility of investment and financing operations submitted by the implementing partners with Union law and policies whereas the decisions on financing and investment operations should ultimately be taken by an implementing partner.</i>
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#### Amendment 10

Recital 29

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
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 Group should remain a privileged implementing partner under the InvestEU <i>Fund's EU compartment</i> . (...)	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 <b>both between and within Member States</b> , 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 Group should remain a privileged implementing partner under the InvestEU <i>programme</i> . (...)

<i>Reason</i>
Strong regional disparities also exist within Member States with regard to investment, and geographical diversification should therefore not be considered at the national level only.

#### Amendment 11

Recital 30

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
In order to ensure that interventions under <i>the EU compartment of</i> 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	In order to ensure that interventions under 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 <b>two</b> Member States.

least <b>three</b> Member States. However, it is expected that around <b>75</b> % of the EU guarantee <b>under the EU compartment</b> would be allocated to implementing partner or partners that can offer financial products under the InvestEU Fund in all Member States.	However, it is expected that around <b>50</b> % of the EU guarantee would be allocated to implementing partner or partners that can offer financial products under the InvestEU Fund in all Member States.
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<b>Reason</b>
Access must be facilitated for as many implementing partners as possible, especially from the Member States which do not have solid or long-established national promotional banks at central, regional or local level.

### Amendment 12

#### Recital 31

<b>Text proposed by the European Commission</b>	<b>CoR amendment</b>
The EU guarantee <b>under the Member State compartment</b> 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. <b>When selecting implementing partners under the Member State compartment, the Commission should take into account the proposals made by each Member State.</b> 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 level of protection of the financial interest of the Union equivalent to the one provided by the Commission.	The EU guarantee 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. 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 level of protection of the financial interest of the Union equivalent to the one provided by the Commission.

<b>Reason</b>
Same reasoning as for the amendment to Recital 19.

### Amendment 13

#### Recital 36

<b>Text proposed by the European Commission</b>	<b>CoR amendment</b>
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	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.	Advisory Hub should be ensured, where needed <b><i>and in particular in Member States or regions which suffer from a significant and persistent investment gap</i></b> , taking into account existing support schemes, with a view to provide tangible, proactive, tailor-made assistance on the ground.
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<b><i>Reason</i></b>
Member States and regions which are suffering more from a lack of investment should also be prioritised in setting up the Advisory Hub's local presence.

**Amendment 14**  
Article 2(5)

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
'Funds under shared management' <b><i>means funds that foresee the possibility of allocating an amount thereof to the provisioning of a budgetary guarantee under the Member State compartment of the InvestEU Fund, namely</i></b> the European Regional Development Fund (ERDF), the European Social Fund+ (ESF+), the Cohesion Fund, the European Maritime and Fisheries Fund (EMFF) and the European Agriculture Fund for Rural Development (EAFRD);	'Funds under shared management': the European Regional Development Fund (ERDF), the European Social Fund+ (ESF+), the Cohesion Fund, the European Maritime and Fisheries Fund (EMFF) and the European Agriculture Fund for Rural Development (EAFRD);

<b><i>Reason</i></b>
The ability to allocate an amount to the provisioning of a budget guarantee is not a feature of funds under shared management.

**Amendment 15**  
Article 2(13)

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
'national promotional banks or institutions' means legal entities carrying out financial activities on a professional basis which are given mandate by a Member State or a Member State's entity at central, regional or local level, to carry out development or promotional activities;	<b><i>'local, regional and</i></b> national promotional banks or institutions' means legal entities carrying out financial activities on a professional basis which are given mandate by a Member State or a Member State's entity at central, regional or local level, to carry out development or promotional activities;

<b><i>Reason</i></b>
A specific mention of local and regional promotional banks should be made.

## Amendment 16

### Article 3(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The general objective of the InvestEU Programme is to support the policy objectives of the Union by means of financing and investment operations contributing to:</p> <p>(a) the competitiveness of the Union, including innovation and digitisation;</p> <p>(b) the sustainability of the Union economy and its growth;</p> <p>(c) the social resilience and inclusiveness of the Union;</p> <p>(d) the integration of the Union capital markets and the strengthening of the Single Market, including solutions addressing the fragmentation of the Union capital markets, diversifying sources of financing for Union enterprises and promoting sustainable finance.</p>	<p>The general objective of the InvestEU Programme is to support the policy objectives of the Union by means of financing and investment operations contributing to:</p> <p>(a) the competitiveness of the Union, including innovation and digitisation;</p> <p>(b) the sustainability of the Union economy and its growth;</p> <p>(c) the social resilience and inclusiveness of the Union;</p> <p><b>(d) <i>the economic, social and territorial cohesion of the Union;</i></b></p> <p>(e) the integration of the Union capital markets and the strengthening of the Single <b>Market</b>, including solutions addressing the fragmentation of the Union capital markets, diversifying sources of financing for Union enterprises and promoting sustainable finance.</p>

### *Reason*

See recommendation for amendment to recital 5.

## Amendment 17

### Article 4(1)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p>The EU guarantee <b><i>for the purposes of the EU compartment referred to in point (a) of Article 8(1)</i></b> shall be EUR 38 000 000 000 (current prices). It shall be provisioned at the rate of 40%.</p> <p>An additional amount of the EU guarantee may be provided <b><i>for the purposes of the Member State compartment referred to in point (b) of Article 8(1)</i></b>, subject to the allocation by Member</p>	<p>The EU guarantee shall be EUR 38 000 000 000 (current prices). It shall be provisioned at the rate of 40%.</p> <p>An additional amount of the EU guarantee may be provided subject to the allocation by Member States, pursuant to [Article 10(1)] of Regulation [[CPR] number] and Article [75(1)] of Regulation [[CAP plan] number], of the corresponding amounts.</p>

States, pursuant to [Article 10(1)] of Regulation [[CPR] number] and Article [75(1)] of Regulation [[CAP plan] number], of the corresponding amounts. The contributions from third countries referred to in Article 5 shall also increase the EU guarantee referred to in the first subparagraph, providing a provisioning in cash in full in accordance with [Article 218(2) of the [Financial Regulation].	The contributions from third countries referred to in Article 5 shall also increase the EU guarantee referred to in the first subparagraph, providing a provisioning in cash in full in accordance with [Article 218(2) of the [Financial Regulation].
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<b><i>Reason</i></b>
See recommendation for amendment to recital 19.

### Amendment 18

#### Article 5

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
<b><i>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]:</i></b> (...)	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]: (...)

<b><i>Reason</i></b>
Same reasoning as for the amendment to Recital 19.

### Amendment 19

#### Article 7(1)(a)

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
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;	Sustainable infrastructure policy window: comprises sustainable investment in the areas of transport, energy, <b><i>housing</i></b> , 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;



<i>Reason</i>
Inclusion of a reference to housing, essential to the implementation of Sustainable Development Goal 11.

### Amendment 20

Article 7(1)(d)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
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 nationals.	social investment and skills policy window: comprises microfinance, social enterprise finance and social economy; skills, <b><i>sport and related small scale infrastructures for the grassroots level</i></b> , 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 nationals.

<i>Reason</i>
There is under-investment in local sports infrastructure, which can boost the economic growth of EU regions, increase social inclusion and integration of disadvantaged groups, and may ensure a brighter future to younger generations.

### Amendment 21

Article 7(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Implementing partners shall provide the information necessary to allow the tracking of investment that contributes to meeting the Union objectives on climate and environment, based on guidance to be provided by the Commission.	Implementing partners shall provide the information necessary to allow the tracking of investment that contributes to meeting the Union objectives <b><i>with regard to implementation of the Sustainable Development Goals, particularly</i></b> on climate and environment, <b><i>and implementation of the European Pillar of Social Rights</i></b> , based on guidance to be provided by the Commission.

### Amendment 22

Article 8

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Each policy window referred to in Article 7(1) shall <b><i>consist of two compartments addressing</i></b> specific market failures or sub-optimal	Each policy window referred to in Article 7(1) shall <b><i>address</i></b> specific market failures or sub-optimal investment situations as follows:

<p>investment situations as follows:</p> <p><b><i>(a) the EU compartment shall address any of the following situations:</i></b></p> <p>(i) market failures or sub-optimal investment situations related to Union policy priorities and addressed at the Union level;</p> <p>(ii) Union wide market failures or sub-optimal investment situations;</p> <p>(iii) new or complex market failures or sub-optimal investment situations with a view to developing new financial solutions and market structures;</p> <p><b><i>(b) the Member State compartment shall address specific market failures or sub-optimal investment situations in one or several Member States to deliver objectives of the contributing Funds under shared management.</i></b></p> <p><b><i>2. The compartments referred to in paragraph 1 may be used in a complementary manner to support a financing or investment operation, including by combining support from both compartments.</i></b></p>	<p>(i) market failures or sub-optimal investment situations related to Union policy priorities and addressed at the Union level;</p> <p>(ii) Union wide market failures or sub-optimal investment situations;</p> <p>(iii) new or complex market failures or sub-optimal investment situations with a view to developing new financial solutions and market structures;</p>
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<b><i>Reason</i></b>
See recommendation for amendment to recital 19.

Custom comment # 008/017 inserted by Emma Nieddu on 17/12/2018 14:24:04.  
Please do not edit/delete/copy this comment: use always the macro instead.  
(\* (\* Coherence modification according to rule 25 \*) \*)

**Amendment 23**  
Article 11(1) new (d)

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
	<i>are consistent with the European Union's commitments in implementing the Sustainable Development Goals;</i>

<b><i>Reason</i></b>
N/A

**Amendment 24**  
Article 12(1)

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
The Commission shall select, in accordance with	The Commission shall select, in accordance with

<p>[Article 154] of the [Financial Regulation], the implementing partners or a group of them, as referred to in the second subparagraph of this paragraph, from among eligible counterparts.</p> <p><b>For the EU compartment, the</b> eligible counterparts shall have expressed their interest and shall be able to cover financing and investment operations in at least <b>three</b> Member States. The implementing partners may also cover together financing and investment operations in at least <b>three</b> Member States by forming a group.</p> <p><b>For the Member State compartment, the</b> 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).</p> <p>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.</p>	<p>[Article 154] of the [Financial Regulation], the implementing partners or a group of them, as referred to in the second subparagraph of this paragraph, from among eligible counterparts.</p> <p>The eligible counterparts <b>are those which</b> shall have expressed their interest and shall be able to cover financing and investment operations in at least <b>two</b> Member States. The implementing partners may also cover together financing and investment operations in at least <b>two</b> Member States by forming a group.</p> <p>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).</p> <p>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.</p>
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<b>Reason</b>
Same reasoning as for the amendment to Recital 19.

### Amendment 25

Article 12(2)

<b>Text proposed by the European Commission</b>	<b>CoR amendment</b>
<p>When selecting implementing partners, the Commission shall ensure that the portfolio of financial products under the InvestEU Fund:</p> <ul style="list-style-type: none"> <li>(a) maximises the coverage of the objectives laid down in Article 3;</li> <li>(b) maximises the impact of the EU guarantee through the own resources committed by the implementing partner;</li> <li>(c) maximises, where appropriate, private investment;</li> </ul>	<p>When selecting implementing partners, the Commission shall ensure that the portfolio of financial products under the InvestEU Fund:</p> <ul style="list-style-type: none"> <li>(a) maximises the coverage of the objectives laid down in Article 3;</li> <li>(b) maximises the impact of the EU guarantee through the own resources committed by the implementing partner;</li> <li>(c) maximises, where appropriate, private investment;</li> </ul>

(d) achieves geographical diversification;	(d) achieves <i>broad</i> geographical <i>coverage and</i> diversification <i>both between and within Member States</i> ;
(e) provides sufficient risk diversification;	(e) provides sufficient risk diversification;
(f) promotes innovating financial and risk solutions to address market failures and sub-optimal investment situations.	(f) promotes innovating financial and risk solutions to address market failures and sub-optimal investment situations.

<b>Reason</b>
See recommendation for amendment to recital 29.

Custom comment # 009/017 inserted by Cécile Eclache on 06/12/2018 12:58:59.  
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(\* AM 10 \*)

**Amendment 26**  
Article 17

<b>Text proposed by the European Commission</b>	<b>CoR amendment</b>
<p><b>1.</b> The Commission shall be advised by an advisory board <i>which shall have two configurations, namely representatives of implementing partners and representatives of Member States.</i></p> <p><b>2.</b> <i>Each</i> implementing partner <i>and</i> each Member State <i>may nominate</i> one representative <i>to</i> the <i>configuration concerned</i></p> <p>(...)</p>	<p>The Commission <i>and the Steering Board</i> shall be advised by an advisory board.</p> <p><i>The advisory board shall comprise of:</i></p> <p><i>(a) one representative of each</i> implementing partner;</p> <p><i>(b) one representative of</i> each Member State;</p> <p><i>(c) one representative of</i> the <i>EIB</i>;</p> <p><i>(d) one representative of</i> the <i>Commission</i>;</p> <p><i>(e) one expert for each policy window, appointed by the European Committee of the Regions and the European Economic and Social Committee.</i></p> <p>(...)</p>

Custom comment # 010/017 inserted by Cécile Eclache on 06/12/2018 13:04:13.  
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(\* AM 11 \*)

**Amendment 27**  
New Article after Article 17

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<p align="center"><b><i>Steering Board</i></b></p> <p><b><i>1. The InvestEU Fund shall be governed by a Steering Board, which, for the purpose of the use of the EU guarantee, shall determine, in conformity with the general objectives set out in Article 3:</i></b></p> <p><b><i>(a) the strategic orientation of the InvestEU Fund;</i></b></p> <p><b><i>(b) the operating policies and procedures necessary for the functioning of the InvestEU Fund;</i></b></p> <p><b><i>(c) the rules applicable to the operations with investment platforms.</i></b></p> <p><b><i>2. The Steering Board shall comprise members appointed by the Commission, by the European Investment Bank and by the Advisory Board from amongst the representatives of the implementing partners:</i></b></p>

Custom comment # 011/017 inserted by Cécile Eclache on 06/12/2018 13:05:22.

Please do not edit/delete/copy this comment: use always the macro instead.

(\* AM 12 \*)

**Amendment 28**  
New Article after Article 17

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<p align="center"><b><i>Risk Assessment Methodology</i></b></p> <p><b><i>1. The Commission shall be empowered to adopt delegated acts in accordance with Article 26 to supplement this Regulation by establishing a risk assessment methodology. Such risk assessment methodology shall include:</i></b></p> <p><b><i>(a) a risk rating classification, to ensure</i></b></p>

	<p><i>consistent and standard treatment of all operations independent from the intermediary institution;</i></p> <p><i>(b) a methodology to assess the value at risk and the probability of default based on clear statistical methods, including environmental, social and governance (ESG) criteria;</i></p> <p><i>(c) a method to assess exposure at default and loss given default, taking into account the value of financing, the project risk, the repayment terms, the collateral, and other relevant indicators.</i></p>
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### Amendment 29

#### Article 18

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
<p><i>Project team</i></p> <p>1. A project team consisting of experts, put at the disposal of the Commission by the implementing partners free of charge for the Union budget, shall be established.</p> <p>2. Each implementing partner shall assign experts to the project team. The number of the experts shall be established in the guarantee agreement. [...]</p>	<p><i>Project team</i></p> <p>1. A project team consisting of experts, put at the disposal of the Commission by the implementing partners free of charge for the Union budget, shall be established. <b><i>Where implementing partners form a group in accordance with the second subparagraph of Article 12(1), the experts shall be made available to the European Commission by all the implementing partners.</i></b></p> <p>2. Each implementing partner <b><i>or group of implementing partners formed in accordance with the second subparagraph of Article 12(1)</i></b> shall assign experts to the project team. The number of the experts shall be established in the guarantee agreement. [...]</p>

<i>Reason</i>
<p>The secondment of staff to the Commission may prove burdensome for smaller national or regional promotional banks and institutions, which should benefit from a degree of flexibility, for instance by pooling resources within a group.</p>

### Amendment 30

Article 20(2)(c)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
supporting actions and leveraging local knowledge to facilitate the use of the InvestEU Fund support across the Union and contributing actively where possible to the objective of sectorial and geographical diversification of the InvestEU Fund by supporting the implementing partners in originating and developing potential financing and investment operations;	supporting actions and leveraging local <b>and regional</b> knowledge to facilitate the use of the InvestEU Fund support across the Union and contributing actively where possible to the objective of sectorial and geographical diversification of the InvestEU Fund by supporting the implementing partners in originating and developing potential financing and investment operations;

### Amendment 31

Article 20(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Fees may be charged for the services referred to in paragraph 2 to cover part of the costs for providing those services.	Fees may be charged for the services referred to in paragraph 2 to cover part of the costs for providing those services. <b><i>Services provided by the InvestEU Advisory Hub to public project promoters shall be free of charge.</i></b>

#### *Reason*

The fee exemption for public promoters is in place with the existing European Investment Advisory Hub (Regulation (EU) 2015/1017, Article 14(4)) and should be maintained.

### Amendment 32

Article 20(6)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
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.	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, <b><i>or which suffer from a significant and persistent investment gap.</i></b> 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. <b><i>The nature of this local presence shall be defined in consultation with the national, regional or local authorities</i></b>

	<i>concerned.</i>
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<b><i>Reason</i></b>
See recommendation for amendment to recital 36.

**Amendment 33**

Article 21(2)

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
The InvestEU Portal shall provide a channel for project promoters to bring their projects for which they are seeking finance visible and thus provide information on them to investors. The inclusion of projects in the InvestEU Portal shall be without prejudice to the decisions on the final projects selected for support under this Regulation, under any other instrument of the Union, or for public funding.	The InvestEU Portal shall provide a channel for project promoters to bring their projects for which they are seeking finance visible and thus provide information on them to investors. The inclusion <b><i>or non-inclusion</i></b> of projects in the InvestEU Portal shall be without prejudice to the decisions on the final projects selected for support under this Regulation, under any other instrument of the Union, or for public funding.

<b><i>Reason</i></b>
It should be clarified further that while inclusion on the Portal is not a guarantee of support through InvestEU or other instruments, neither is it a prerequisite for this support.

**Amendment 34**

Article 21(6)

New paragraph 6

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
	<b><i>Implementing partners shall actively contribute to the promotion and publicity of the InvestEU Portal towards both project promoters and investors.</i></b>

<b><i>Reason</i></b>
Since such a portal relies on reaching a critical mass of users, further outreach and awareness-raising would be beneficial. Implementing partners, thanks to their contacts with investors and promoters, are well placed to contribute to these activities.

**Amendment 35**

Annex II, point 2(d)

<b><i>Text proposed by the European Commission</i></b>	<b><i>CoR amendment</i></b>
railway infrastructure, other rail projects, and maritime ports;	railway infrastructure, other rail projects, <b><i>inland waterway infrastructure</i></b> and maritime ports



<i>Reason</i>
N/A

### Amendment 36

Annex II, new point after point 2(e)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
	<i>development of next-generation batteries for electrical mobility;</i>

Custom comment # 012/017 inserted by Cécile Eclache on 06/12/2018 13:06:50.

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(\* AM 13 \*)

### Amendment 37

Annex II, point 7

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Financial support to entities employing up to 3 000 employees, with a particular focus on SMEs <i>and</i> small mid - cap companies, in particular through: (...)	Financial support to entities employing up to 3 000 employees, with a particular focus on SMEs, small midcap companies <i>and enterprises of the social economy</i> , in particular through: (...)

Custom comment # 013/017 inserted by Cécile Eclache on 06/12/2018 13:08:16.

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(\* AM 14 \*)

### Amendment 38

Annex III, point 4(4)

<i>Text proposed by the European Commission</i>	<i>CoR amendment</i>
Transport: Investment mobilised in TEN-T of which: TEN-T core	Transport: Investment mobilised in TEN-T of which: TEN-T core, <i>comprehensive TEN-T network, cross-border missing links</i>

<i>Reason</i>
InvestEU should help the development of the TEN-T as a whole <i>and the completion of cross-border missing links, especially in the rail network.</i>

## II. POLICY RECOMMENDATIONS

### THE EUROPEAN COMMITTEE OF THE REGIONS

welcomes the European Commission's ambition to further support investment in Europe, by building on the experience acquired with the European Fund for Strategic Investments (EFSI) and the Investment Plan more broadly, through its proposal establishing the InvestEU Programme;

Custom comment # 014/017 inserted by Cécile Eclache on 06/12/2018 13:10:00.

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(\* AM 16 \*)

notes that as well as following the market and demand, InvestEU will be geared to shaping policy; highlights the need for adequate support to be provided for funding and investment activities in the sphere of research and innovation; and points in particular to the importance of establishing the "social investment and skills" policy window as a tool to unlock urgently needed investment in innovative social infrastructure projects, social economy enterprises and social services at regional and local level; highlights the need to invest in quality social projects, which are smaller, innovative and financially riskier, yet still economically viable and with a higher social return, as this could be the added value of the EU guarantee;

stresses that while there has been some improvement in investment conditions in some Member States and regions, the level of gross fixed capital formation as a share of GDP for the whole of the EU has still not recovered to its pre-crisis level, with overall investment remaining around 10% lower than it was before the crisis, with some strong disparities among Member States<sup>1</sup>;

highlights that the investment situation is even more diverse at regional level, and remains particularly worrying in a number of European regions; measured in absolute terms, investment was more than 25% lower in 2015 than in 2007 in more than 40 European regions located in Italy, Portugal, the United Kingdom, Romania, the Netherlands, Ireland, Latvia, Slovenia, Croatia and Cyprus, while it was more than 60% lower in most Greek regions<sup>2</sup>;

notes with alarm that public investment also remains persistently low in the EU, in particular investment undertaken by local and regional authorities, which in 2017 remained more than 30% lower than its 2009 level as a share of GDP<sup>3</sup>;

is further worried by the growing centralisation of investment: the share of public investment made by local and regional authorities – while still above 50% in the EU on average – having fallen noticeably compared to the level of 60% seen in the 1990s<sup>4</sup>;

expresses serious concern regarding this situation, since investment – both private and public – is a prerequisite for current competitiveness as well as future growth and job creation, and therefore for the well-being of Europeans in all cities and regions;

is concerned that, where the local and regional governments depend the most on central governments' budget allocation, austerity cuts have not been reversed fully while new obligations have been imposed on the LRAs, which in many cases have additionally reduced funding available for investment;

Custom comment # 015/017 inserted by Cécile Eclache on 06/12/2018 13:12:54.

1 Eurostat, dataset tec00011.

2 Own calculations on the basis of Eurostat gross fixed capital formation at NUTS 2 level: dataset nama\_10r\_2gfcf.

3 Eurostat, dataset tec00022.

4 European Commission, 7th Cohesion Report (p. 168).

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(\* AM 17 New point after point 8 \*)

reiterates its call for investments made by local and regional authorities financed by the InvestEU programme and the EIB to be excluded from Member States' budget deficit and debt calculations;

Custom comment # 016/017 inserted by Cécile Eclache on 06/12/2018 13:13:25.

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(\* AM 18 \*)

demands that the economic, social and territorial cohesion of the Union be included among the objectives of the InvestEU Programme, in particular since the proposal's legal basis comprises the third paragraph of Article 175 of the Treaty on the Functioning of the European Union which focuses on cohesion; believes it is of the utmost importance that InvestEU be geographically balanced and that it be targeted as a matter of priority at regions suffering from a significant and persistent lack of investment and at particularly vulnerable and remote areas such as the outermost regions;

finds the proposal for a regulation establishing the InvestEU Programme in compliance with the principles of subsidiarity and proportionality;

#### *Financial instruments and the InvestEU Fund*

recognises once more that financial instruments can be important tools for territorial development<sup>5</sup>, since repayable financing can ensure a greater leverage of public funds and thus greater impact in specific cases where private financing can complement public sources thanks to appropriate returns and cash flow; highlights that this is especially relevant at a time of persistently constrained public budgets at all levels of governance;

notes, however, that EU financial instruments have proliferated in recent years, with different eligibility and reporting rules, in a manner that creates complexity and confusion while not benefiting fully from synergies and economies of scale, thus leading to a situation that is not conducive to financial instruments being used efficiently and effectively;

Custom comment # 017/017 inserted by Cécile Eclache on 06/12/2018 13:16:04.

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(\* AM 19 New point after point 12 \*)

recommends assessing the EFSI's economic impact to date in each of the Member States and Regions, including overviews of the use of the funds and the benefits ensuing from them. This assessment will be particularly important because InvestEU, as a new EU financial tool, could be directly geared towards real investment priorities and could avoid certain shortcomings found in existing ways of using the EU budget;

<sup>5</sup>

CoR opinion: Financial instruments in support of territorial development: <http://webapi.cor.europa.eu/documentsanonymous/cor-2015-01772-00-00-ac-tra-en.docx>.

emphasises that InvestEU must be geared to results, especially job creation and addressing regional disparities, as well as to funding economically viable projects and maintains that this can be more effectively achieved through close coordination with local and regional authorities;

believes that the principle of additionality should be clearly followed, especially in the case of high-risk projects that are implemented in less-developed regions and regions in transition;

acknowledges that the Commission's InvestEU proposal has the potential to simplify the use of financial instruments for intermediaries and final recipients as well as the combination of these instruments with other types of Union support, which are long-standing demands of the CoR;

reaffirms, however, its position that InvestEU should neither replace nor compete with existing EU social cohesion mechanisms;

has concerns about the administrative burden, red tape and delays that would likely ensue if three additional stages were added to the cycle of approving an investment project, and therefore believes it is necessary to ensure that the proposed governance system produces swift decisions, though obviously without speed affecting the quality of those decisions;

recommends considering the proposal to introduce fast-track procedures for small-scale projects up to a certain budget, given that in certain regions smaller-scale projects may equate to strategic investments because they can have significant leverage effects;

calls on the European Commission to ensure that the Committee of the Regions is involved as an observer in the administrative system for InvestEU, in particular the Advisory Board;

welcomes the programme's reliance on a budgetary guarantee which, coupled with the low risk deriving from a large portfolio of good-quality, diversified projects across Europe, allows a smaller share of the EU budget to be frozen for a proportionately larger impact; is of the view, however, that the Commission should set a more ambitious goal for the total level of investment that can be mobilised;

supports the Commission's proposal of implementing the InvestEU guarantee through a number of partners rather than solely through the European Investment Bank (EIB) Group, as was the case with the EFSI; however, to facilitate access for as many implementing partners as possible, suggests that it is sufficient for one Member State or one region to be covered;

believes that the involvement of several implementing partners should enable broader thematic and geographic coverage of the InvestEU Fund compared to EFSI, both between Member States and within them between regions, since these implementing partners will bring additional diversity of experience as well as a variety of local and sectorial expertise;

draws the Commission's attention to the countries that lack the structures at national and regional level that could give them access to the InvestEU guarantee; in view of this, recommends encouraging and supporting the creation of such structures;

highlights that, while it appears appropriate for implementing partners to second staff to the Commission in order to form the InvestEU project team, given their expertise and the substantial additional capacity that implementing partners will benefit from thanks to the EU guarantee, the secondment of suitable experts among their staff may prove difficult for smaller national or regional promotional banks and institutions; requests therefore that such smaller institutions be granted a degree of flexibility, for instance by pooling their resources when forming groups in accordance with the second subparagraph of Article 12(1) of the draft Regulation;

defends the principle that the managing authorities of the European Structural and Investment Funds (ESIF) be able to pay up to 5% of those funds to the InvestEU programme on a voluntary basis and in accordance with the principles of a code of conduct for the partnership and multi-level governance to be set out in Article 6 of the framework regulation laying down common provisions for ESIF. This contribution has the potential to address country-specific or region-specific market failures and sub-optimal investment situations in a way that a centralised EU tool cannot;

welcomes the Commission's willingness to facilitate the combination of financial instruments with grants from other EU programmes through the application of InvestEU rules for the entire project as this is an important simplification; further welcomes the proposed streamlining of state aid rules for Member State funding that is channelled through the InvestEU Fund or supported by InvestEU;

urges that more than 35% of resources from the InvestEU financial envelope be made available for achieving climate-related objectives;

recommends that infrastructure investments carried out through InvestEU be resilient to disasters, as well as to climate conditions, over their full lifespan;

considers it necessary to ensure a timely and smooth transition from the current programming period to the next;

#### *InvestEU Advisory Hub*

welcomes the continuation of the Investment Plan's European Investment Advisory Hub (EIAH) in the current proposal through the InvestEU Advisory Hub; highlights that advisory and support services remain crucial in order to successfully address sub-optimal investment situations across the EU, and in particular in regions or sectors where complex projects or innovative financing solutions are less common;

calls on the co-legislators to keep the exemption for public implementing bodies from fees charged for services of the InvestEU Advisory Hub, as is the case for the existing EIAH under Article 14(4) of the EFSI Regulation<sup>6</sup>, and which is crucial to help foster quality public investment, in

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<sup>6</sup> Regulation (EU) 2015/1017.

particular among smaller public entities and those with less experience of financial instruments and complex projects;

welcomes the Advisory Hub's focus on providing support for setting up investment platforms, in particular for cross border investment; highlights that further awareness-raising is also necessary in order to fully exploit the possibilities offered by investment platforms, in particular for local and regional authorities;

expresses strong support for the Advisory Hub to have a local presence, which should be defined in consultation with the national, regional or local authorities concerned, and should as a matter of priority be developed in Member States or regions that face difficulties in developing projects under the InvestEU Fund, or which suffer from a significant and persistent investment gap;

warmly welcomes the Advisory Hub's focus on knowledge transfer and capacity-building at regional and local level, to which the CoR had previously called attention, and which are crucial elements in bridging the investment gap in all EU regions. To this end the Hub's primary aim should be to help local implementing partners strengthen their technical assistance capabilities;

highlights that existing EU-funded capacity-building tools are not successfully addressing local and regional authorities' needs and are under-exploited; they should be better promoted and coordinated and the InvestEU Advisory Hub has a key role to play in these efforts;

calls on the Commission to ensure that the possibilities offered by the InvestEU Advisory Hub are sufficiently communicated to project promoters across the EU, where necessary through a roadshow or local events, which the CoR would be ready to support as appropriate;

#### *InvestEU Portal*

welcomes the continuation of the Investment Plan's European Investment Project Portal (EIPP) in the current proposal through the InvestEU Portal; points out that the CoR is an EIPP partner and has played an active role in supporting and promoting it, in particular towards European local and regional authorities; will continue where appropriate to support the development of the InvestEU Portal;

stresses, however, that such a portal's success is strongly dependent on reaching a critical mass of users and that further outreach and awareness-raising would be necessary; calls therefore on future InvestEU implementing partners to actively contribute to the promotion and publicity of the Portal, since they are well placed to do so thanks to their constant contacts with investors and project promoters;

subscribes to the view that inclusion of a project on the InvestEU Portal should not be seen as a guarantee of support either through InvestEU or through any other instrument whether at European level or otherwise; recommends that it be clarified further that neither can inclusion on the Portal be seen as a prerequisite for support of any kind since a promoter's submission to the Portal must remain fully voluntary.

Brussels, 6 December 2018

The President  
of the European Committee of the Regions

Karl-Heinz Lambertz

The Secretary-General  
of the European Committee of the Regions

Jiří Buriánek

### III. PROCEDURE

<b>Title</b>	The InvestEU Programme
<b>Reference</b>	Proposal for a Regulation of the European Parliament and the Council establishing the InvestEU Programme COM(2018) 439 final
<b>Legal basis</b>	Article 175 TFEU
<b>Procedural basis</b>	Rule 41 a)
<b>Date of Council/EP referral/Date of Commission letter</b>	Council: 7 September 2018 Parliament: 26 June 2018
<b>Date of Bureau/President's decision</b>	28 June 2018
<b>Commission responsible</b>	Commission for Economic Policy (ECON)
<b>Rapporteur</b>	Konstantinos Agorastos (EL/EPP), Governor of the Region of Thessaly
<b>Analysis</b>	30 August 2018
<b>Discussed in commission</b>	23 October 2018
<b>Date adopted by commission</b>	23 October 2018
<b>Result of the vote in commission (majority, unanimity)</b>	Majority
<b>Date adopted in plenary</b>	6 December 2018
<b>Previous Committee opinions</b>	Opinion on the Investment Plan for Europe (Ref: COR-2015-00943) Opinion on Financial instruments in support of territorial development (Ref: COR-2015-01772) Opinion on EFSI 2.0 (Ref: COR-2016-05690) Opinion on Bridging the Investment Gap (Ref: COR-2016-04165)
<b>Date of subsidiarity monitoring consultation</b>	N/A