Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments

REGULATION (EU) 2015/1017 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 25 June 2015

on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 172 and 173, the third paragraph of Article 175 and Article 182(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[(1)],

Having regard to the opinion of the Committee of the Regions[(2)],

Acting in accordance with the ordinary legislative procedure[(3)],

Whereas:

(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 fiscal constraints on Member States and from sluggish growth, thereby resulting in market uncertainty regarding the economic future. That lack of investment, which has been particularly severe in those Member States most affected by the crisis, has slowed down economic recovery and negatively affects job creation, long-term growth prospects and competitiveness, potentially preventing the attainment of the targets and objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. There is a need to strengthen the attractiveness of investing in Europe and in the infrastructure of a modern knowledge economy.

(2) Comprehensive action is required to reverse the vicious circle created by a lack of investment and by increasing disparities between regions, and to reinforce confidence in the Union economy, while incentives for creating an investment-inducing environment in Member States could boost economic recovery. Together with a renewed impetus towards investment financing, structural reforms that are effective and economically and socially sustainable, as well as fiscal responsibility, constitute means of establishing

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) 2015/1017 of the European Parliament and of the Council. (See end of Document for details)*

a virtuous circle in which investment projects help support employment and demand and lead to a sustained reduction of the output gap as well as to an increase in growth potential. A European fund for strategic investments (EFSI), strengthened by Member State contributions, must be a complement to an overall strategy to improve Union competitiveness and attract investment.

(3) In order to maximise the employment impact of the EFSI, Member States should continue to undertake structural reforms that are effective and economically and socially sustainable, as well as other initiatives such as training programmes and active labour market policies, support of conditions for the creation of quality and sustainable jobs, and investment in targeted social policies in line with the 2013 Social Investment Package. In addition, Member States should undertake additional activities such as customised training programmes to match the skills of workers to the needs of sectors benefiting from the EFSI, tailor-made business services for enterprises to prepare them to expand and create more jobs, as well as support for start-ups and self-employed individuals.

(4) The G20, through the Global Infrastructure Initiative, has recognised the importance of investment in boosting demand and lifting productivity and growth and has committed itself to creating a climate that facilitates higher levels of investment.

(5) Throughout the economic and financial crisis, the Union has made efforts to promote growth, in particular through initiatives set out in the Europe 2020 strategy which put in place an approach for smart, sustainable and inclusive growth, and through the European Semester for economic policy coordination. The European Investment Bank (EIB) has also strengthened its role in instigating and promoting investment within the Union, partly by way of an increase in capital in January 2013. Further action is required to ensure that the investment and macro-economic needs of the Union are addressed adequately, that the liquidity available on the market is used efficiently, and that the channelling of such liquidity towards the funding of viable investment projects is encouraged.

(6) On 15 July 2014, the then President-elect of the Commission presented Political Guidelines for the next Commission to the European Parliament. Those Political Guidelines called for the mobilisation of ‘up to EUR 300 billion in additional public and private investment in the real economy over the next three years’ to stimulate investment for the purpose of job creation.

(7) On 26 November 2014, the Commission issued a communication entitled ‘An Investment Plan for Europe’ (Investment Plan) which envisaged the creation of the EFSI, a transparent portal of investment projects at Union level (European Investment Project Portal) and an investment advisory hub (European Investment Advisory Hub) and placed emphasis on an agenda to remove obstacles to investment and complete the internal market.

(8) The European Council on 18 December 2014 concluded that ‘fostering investment and addressing market failure in Europe is a key policy challenge’ and that ‘[t]he new focus on investment, coupled with Member States' commitment to intensifying structural reforms and to pursuing growth-friendly fiscal consolidation, will provide the

foundation for growth and jobs in Europe'. The European Council called for 'setting up a European Fund for Strategic Investments (EFSI) in the EIB Group with the aim to mobilise 315 billion euro in new investments between 2015 and 2017', and invited the EIB Group 'to start activities by using its own funds as of January 2015'. The European Council also underlined that 'the EFSI will complement and be additional to ongoing EU programmes and traditional EIB activities'.

(9) On 13 January 2015, the Commission issued a communication entitled 'Making the best use of the flexibility within the existing rules of the Stability and Growth Pact' detailing how it will apply those rules.

(10) On 24 June 2015, the Commission declared that 'without prejudice to the prerogatives of the Council in the implementation of the Stability and Growth Pact (SGP), one-off contributions by Member States, either by a Member State or by national promotional banks classified in the general government sector or acting on behalf of a Member State, into the EFSI or thematic or multi-country investment platforms established for the implementation of the Investment Plan, should in principle qualify as one-off measures, within the meaning of Article 5 of Council Regulation (EC) No 1466/97[(4)] and Article 3 of Council Regulation (EC) No 1467/97[(5)]'.

(11) The EFSI should be part of a comprehensive strategy designed to address uncertainty surrounding public and private investments and to reduce the investment gaps in the Union. 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 boost competitiveness and economic recovery and should be complementary to the objective of economic, social and territorial cohesion across the Union. The EFSI should be seen as a complement to all other actions needed to reduce the investment gaps in the Union and – by acting as a guarantee fund – as a stimulus for new investments.

(12) The investment environment within the Union should be improved by removing barriers to investment, ensuring that there is no discrimination based on whether the management of projects is private or public, reinforcing the internal market, and enhancing regulatory predictability. In its communication entitled 'Commission Work Programme 2015: A New Start', the Commission announced that 'lightening the regulatory load while keeping high levels of social, health and environmental protection and consumer choice' was a political priority, and that it would 'overhaul the rules to make sure they contribute to the jobs and growth agenda'. The Commission and the Member States should embark on that task without delay. The work of the EFSI, and investments across the Union generally, should benefit from that accompanying work.

(13) The purpose of the EFSI should be to help resolve the difficulties in financing and implementing strategic, transformative and productive investments with high economic, environmental and societal added value contributing to achieving Union policy objectives such as those set out in Regulation (EU) No 1287/2013 of the European Parliament and of the Council[(6)], Regulation (EU) No 1291/2013 of the European Parliament and of the Council[(7)], Regulation (EU) No 1315/2013 of the European Parliament and of the Council[(8)] and Regulation (EU) No 1316/2013 of the

European Parliament and of the Council[9]. It should aim to provide an immediate boost to the Union economy and to improve access to financing and the competitiveness of enterprises and other entities, with a particular focus on small and medium-sized enterprises (SMEs) and small mid-cap companies, with the aim of reducing unemployment levels and boosting growth in the Union.

The EFSI should therefore support strategic investments such as, but not limited to, projects of common interest which aim to complete the internal market in the transport, telecommunications and energy infrastructure sectors, including transport and energy interconnections, and digital infrastructure; to expand renewable energy and energy and resource efficiency; to develop and modernise the energy sector in accordance with the Energy Union priorities, including security of energy supply; and to contribute to the sustainable development of those sectors and exploit potential synergies between them. Those investments should also include projects of common interest in the urban and rural development and social fields and in the environmental and natural resources fields; projects which strengthen the Union's scientific and technological base and foster benefits for society as well as better exploitation of the economic and industrial potential of policies of innovation, research and technological development, including research infrastructure, and pilot and demonstration facilities; and projects relating to human capital, culture and health. Market-based incentives and the additionality provided by the EFSI should ensure that the EFSI targets socially and economically viable projects without any sectoral or regional pre-allocation, in particular to address high investment needs or market failures.

At the same time, the EFSI should be able to support environmentally sound projects and benefit industries and technologies with high growth potential and contribute to the transformation into a green, sustainable and resource-efficient economy. By overcoming the Union's current investment difficulties and reducing regional disparities, the EFSI should seek to contribute to strengthening the Union's competitiveness, research and innovation potential, economic, social and territorial cohesion, and to supporting an energy- and resource-efficient transition, including as regards infrastructure transition, towards a sustainable, renewable-based circular economy, through the creation of stable and fairly remunerated jobs. The EFSI should target projects of any size that promote quality job creation, short-, medium- and long-term sustainable growth and competitiveness, in particular where such projects have the highest incremental value, thereby contributing to achieving the Union's policy objectives in accordance with Article 9 of the Treaty on European Union (TEU) and Article 3 of the Treaty on the Functioning of the European Union (TFEU). For the purpose of reaching the general objectives set out in this Regulation, the EFSI should contribute to achieving the objectives set out in Articles 170, 173 and 179 TFEU and Article 194(1) TFEU.

(14) The EFSI should support projects in the field of research, development and innovation. The investments supported under the EFSI should contribute to achieving existing Union programmes and policies and the targets and objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. They should support the implementation of the conclusions of the European Council of 17 June 2010.

(15) The EFSI should support projects for the development of the energy sector. In its communication entitled 'A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy', the Commission emphasised the importance of energy efficiency as an energy source in its own right and stated clearly that the EFSI 'provides an opportunity to leverage major investments in renovating buildings'. Investments in energy efficiency are acknowledged to create up to two million jobs by 2020 and possibly another two million jobs by 2030. In order to ensure that the EFSI fulfils its purpose of leveraging private investments, delivering jobs, fostering resilient economic developments, and reducing macro-economic imbalances, a special focus on energy efficiency is needed. The EFSI should support projects in accordance with the Union's energy, climate and efficiency targets laid down in the Europe 2020 strategy and in the 2030 Framework for climate and energy policies and which aim to meet the objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth.

(16) The EFSI should support projects for the development of transport infrastructures, and equipment and innovative technologies for transport. EFSI support to transport infrastructure should contribute to the objectives of Regulations (EU) No 1315/2013 and (EU) No 1316/2013 by creating new or providing for missing infrastructure and also by modernising and rehabilitating existing facilities while allowing the financing of research and innovation operations in that sector. Particular attention should be paid to synergy projects strengthening the connections between transport, telecommunications and energy sectors and also to smart and sustainable urban transport projects.

(17) The EFSI should provide financial support to entities having up to 3 000 employees, with a particular focus on SMEs and small mid-cap companies. The increased access to financing should be of particular benefit to SMEs, including for the creation of start-ups and academic spin-offs, social economy enterprises and non-profit organisations.

(18) The EFSI should support projects for the development and deployment of information and communication technologies (ICT), including projects of common interest which aim to complete the internal market in the field of telecommunications and digital infrastructure.

(19) The EFSI should support projects in the fields of environment and resource efficiency, including in the natural resources fields.

(20) The EFSI should support projects in the fields of human capital, culture and health, including projects in the fields of education, training, the development of ICT skills and digital education, as well as projects in the cultural and creative sector, in tourism and in social fields. Investment in those fields should adopt a holistic approach which in each case displays appropriate respect for the intrinsic value of education and culture.

(21) Many SMEs and mid-cap companies across the Union require assistance to attract market financing, especially as regards investments that carry a higher degree of risk. The EFSI should help those entities to overcome capital shortages, market failures and financial fragmentation resulting in an uneven playing field across the Union by allowing the EIB and the European Investment Fund (EIF) and national promotional banks or institutions, investment platforms or funds to provide direct and indirect equity