



EUROPEAN COMMISSION

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C(2015) 3855 final*

*Dear President,*

*The Commission would like to thank the Camera Deputaților for its Opinion on the Communication 'An Investment Plan for Europe' {COM(2014) 903 final}. The Commission welcomes the overall support of the Camera Deputaților for the Plan.*

*The Commission agrees that a demand deficit in parts of the European economy is contributing to the slow economic recovery. The Commission believes that the main reason for persistently weak investment is low investor confidence. This uncertainty is rooted in low expectations about the demand for goods and services, but also in the fragmentation of financial markets and a lack of sufficient risk-bearing capacity that is required to catalyse investments. Due to the uncertainty of economic and political developments and the still high levels of indebtedness in parts of the EU economy and their impact on credit risk, access to finance has been difficult, in the Member States most affected by the crisis, especially for riskier long-term finance projects, mid-cap companies and SMEs. In this context, the best use of public money is to strengthen the risk-bearing capacity in order to re-launch private investment.*

*According to Commission models and estimations, the Investment Plan has the potential to boost final demand, adding EUR 330 to EUR 410 billion to the EU's GDP, and create 1 to 1.3 million new jobs in the coming three years. In addition, on 13 January 2015 the Commission detailed its new guidance on how it would apply the existing rules of the Stability and Growth Pact to strengthen the link between structural reforms, investment and fiscal responsibility in support of jobs and growth. This guidance also serves to develop a more growth-friendly fiscal stance in the euro area and paves the way for increased public investments by Member States.*

*The Commission estimated that investment levels were EUR 230 to EUR 370 billion lower than the sustainable long term investment rate. The Investment Plan provides a sizable additional boost. The addition of EUR 315 billion of investment capital is the equivalent of 2% of the EU's GDP over three years. The Commission and the European*

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*Investment Bank (EIB) are actively inviting Member States and private investors to participate, which will further multiply the impact of the initiative. This is just one aspect of the Plan. Another essential pillar of the Plan is to remove existing barriers to investment in the Single Market – financial as well as non-financial. This strand can in itself generate much more than EUR 315 billion in terms of increased output and EU GDP, even if it may take more time for these measures to produce their full effect. Finally, the Plan comes on top of existing measures and instruments that are now being deployed, such as the European Structural and Investment Funds (approximately EUR 600 billion over the period 2014-2020, including co-financing), which are available at national and regional level.*

*To make sure that money is well spent and on projects that would not have taken place without its support, the European Fund for Strategic Investments (EFSI) would have a dedicated Investment Committee consisting of experts that would have to validate every project from a commercial and societal perspective, taking all relevant contextual aspects into account in the light of the Investment Guidelines of the Fund. Rigorous and regular monitoring will ensure that money is efficiently spent, bringing real added value.*

*The Commission takes note of the Camera Deputaților's concerns regarding the use of complex and risky financial instruments for the purpose of supporting investment projects. However, the Commission would like to stress that the purpose of the EFSI is to allow the EIB and the European Investment Fund to extend their long-standing and well-tested activities in project and corporate financing.*

*Providing support to develop and carry out projects is an important part of the Plan. An investment advisory 'Hub' will integrate all investment advisory services and provide technical assistance to project promoters, investors and public managing authorities on the preparation and the development of quality projects and investment proposals, on the effective use and potential leverage of European Structural and other EU funds, and on access to other sources of public and private finance.*

*An Investment Task Force, jointly led by the Commission and the EIB and including representatives of all Member States, has carried out a first screening exercise of potentially viable projects with European significance. Beyond this first exercise, individual concrete projects need to be submitted to the EIB to apply for funding from the EFSI.*

*The Commission would like to underline and assure the Camera Deputaților of the importance it attaches to the Union's cohesion policy and the objective enshrined therein to reduce the gaps of economic development between Member States. However, the Commission does not propose for this initiative to pursue cohesion policy objectives, as criteria other than the supported projects' merits would impinge on the initiative's capacity to mobilise private co-financing and hence its effectiveness to create growth and jobs.*

*The Commission hopes that these clarifications address the issues raised by the Camera Deputaților and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Jyrki Katainen  
Vice-President*