



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion concerning the Commission Communication “Strengthening European Investments for jobs and growth: Towards a second phase of the European Fund for Strategic Investments and a new European External Investment Plan” {COM(2016) 581 final}.

The Investment Plan for Europe has proven useful in encouraging a sustainable increase in investment in Member States. The European Fund for Strategic Investments (EFSI) has mobilised EUR 154 billion across 27 Member States in just over one year, which is expected to benefit almost 377,000 small and medium-sized enterprises (SMEs). These results have also been supported by the results of the evaluations of the EFSI. The Commission notes that its Communication “Investment Plan for Europe: evaluations give evidence to support its reinforcement” {COM(2016) 764 final} covers a number of issues raised by the Camera Deputaților in relation to the EFSI. The Commission furthermore underlines that, as explained in more detail in the aforementioned Communication, the issues raised by the Camera Deputaților are already largely addressed in the Commission's legislative proposal on EFSI 2.0 {COM(2016) 597 final}. The Commission also takes note of the Camera Deputaților's concerns with respect to the European External Investment Plan and in particular the proposal for the European Fund for Sustainable Development (EFSD).

The Commission would like to express its gratitude to the Camera Deputaților for its interest and constructive suggestions in relation to both the EFSI and the EFSD. Moreover, the Commission would like to provide some further clarifications in the Annex to alleviate the concerns expressed. The Commission hopes that the clarifications provided 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*

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ANNEX

The Commission has taken note of the issues raised by the Camera Deputaților in its Opinion and would like to address them as follows:

- 1. As regards the Camera Deputaților's concern about the impact of the increase of the financial capacity of the EFSI, the Commission underlines that the EFSI 2.0 proposal does not require changes to the current Multiannual Financial Framework and that its design is financially neutral to the greatest possible extent. The Commission also recalls that an important element of the EFSI 2.0 proposal is to reinforce the take-up of the EFSI in Member States less covered so far. With respect to environmental protection, the EFSI 2.0 proposal improves the EFSI's focus on EU political priorities as regards climate change, for example by setting a minimum target for climate-friendly projects. With respect to social protection, the EFSI already has an important social dimension. The Commission recalls that a comprehensive set of innovative financial instruments under the EFSI SME window, aiming to support social entrepreneurship, sustainable employment and social innovation, has been developed.*
- 2. The Commission welcomes the Camera Deputaților's support for the proposal to enhance the geographical coverage of the EFSI and reinforce its take-up in less developed and transition regions.*
- 3. The Commission does not see the extension of the EFSI as potentially posing a risk to the innovative SMEs' access to EFSI support. On the contrary, the results of the EFSI SME window to date indicate that it is already delivering beyond expectations. The Commission also recalls that the EFSI 2.0 proposal foresees that SMEs would remain key beneficiaries, with an even larger share of financing being geared towards them.*
- 4. The Commission notes that maintaining transparency and accountability regarding the use of public funds is of course critical, which is why the proposed External Investment Plan would set up a Strategic Board composed of Member States and the EIB, which would provide the Commission with strategic guidance and help set the overall investment goals regarding the use of the new European Fund for Sustainable Development (EFSD). The Strategic Board would be co-chaired by the Commission and the High Representative for Foreign Affairs and Security Policy to ensure consistency with the EU's external policy objectives and partnership frameworks with third countries. Additionally, an Operational Board composed of Member States and chaired by the Commission will be looking at all the investment windows' proposals as indicated by the EFSD Regulation. Eligible counterparts benefiting from the EFSD would be required to be assessed in relation to their compliance with the EU's Financial Regulation in a process called the "6 Pillar assessment". This process is an extensive audit of each institution which will be managing EU funding. Additionally, the Commission will report yearly to the European Parliament and the Council on the financial and operational implementation of the EFSD guarantee.*

5. *The EFSI supports projects that contribute to addressing many of Europe's most pressing societal challenges. With respect to the Camera Deputaților's call to encourage the use of the EFSI by young people's business initiatives, in particular in Member States with high youth unemployment, the Commission recalls that the European Investment Advisory Hub (EIAH) provides access to a 360 degree advisory and technical assistance service with the aim of making potential projects investment-ready, providing advice on suitable funding sources and giving access to a wide range of technical and financial expertise. In addition, as part of EFSI 2.0 proposal, the Commission proposes that EIAH should provide more locally targeted and pro-active technical assistance services and actively contribute to the objective of sectorial and geographical diversification of the EFSI.*
6. *With respect to the Camera Deputaților's concerns regarding the Commission's intention to explore the possibility of identifying dedicated European investment envoys, the Commission notes that such dedicated staff in its Representation offices would act as the link between the relevant Commission services on the one hand and the Member States on the other hand, with a view to ensuring better coordination, communication and cooperation on investment-related matters.*
7. *The Commission notes the Camera Deputaților's recommendation to encourage innovative SMEs. The Commission underlines that new financial instruments, including the provision of equity, have already been developed to support innovative SMEs.*
8. *As regards the Camera Deputaților's recommendation to identify measures to remove barriers to investment and access to finance, the Commission points out that, as part of the third pillar of the Investment Plan for Europe, the assessment of obstacles to investment and ways to remove them is undertaken in the context of the European Semester.*
9. *As regards the Camera Deputaților's call to examine the influence of the EFSI on the Single Market, the Commission notes that the third pillar of the Investment Plan for Europe also aims at removing obstacles to investments at EU level, including by deepening the Single Market.*
10. *The Commission underlines that the EFSI 2.0 proposal is consistent with and contributes to major EU policy priorities such as the 2020, 2030 and 2050 climate and energy frameworks, including the Energy Union and the commitments made at the U.N. Climate Change Conference in Paris (COP21), the Circular Economy package, the Europe 2020 Strategy, the Digital Single Market, the Capital Markets Union, the Single Market Strategy, the Single European Transport Area, the New Skills Agenda for Europe and other long-term EU strategic priorities.*