

**EARTO Amendments to the European Commission's Proposal
for Regulation on the European Fund for Strategic Investments (EFSI)
(COM (2015)/10)**

11 February 2015

EARTO has already expressed its [great concerns](#) regarding the European Commission's proposed Regulation setting up the new European Fund for Strategic Investments (EFSI). Accordingly, EARTO members would like to put forward amendments to the Regulation to European Parliament and the Council as follows:

Key amendment on Article 5.2: *(c) "investment in education and training, health, research and development including research and technology infrastructures relevant for innovation, information and communications technology and innovation;"*

This amendment is proposed in order to ensure that projects to be funded under EFSI have clear research and innovation criteria for selection ("R&I Check") before the loans are awarded, prove clear involvement of all R&I actors within the projects even if managed by industry or governments, allow participation of all relevant R&I actors even if some of them may not be able to raise loans (e.g. as sub-contractors fully funded and covered by the guarantee fund).

Key amendment on Article 3.5: *"The Investment Committee shall be composed of six independent experts and the Managing Director. Independent experts shall have a high level of relevant market experience in project finance as well as experience in research and innovation and be appointed by the Steering Board for a renewable fixed term of three years."*

This amendment is proposed in order to ensure that research and innovation actors are somehow involved in the governance of EFSI and the evaluation of the EFSI projects (as independent advisers on the quality of projects proposed by the industry or governments for funding): without this, there will be no real insurance that R&I is a component of some of the projects under EFSI.

Key amendment on Recital 29: *"To partially finance the contribution from the Union budget for the period 2015-2017, the available envelopes of the Horizon 2020 – the Framework Programme for Research and Innovation 2014-2020, provided by Regulation (EU) No 1291/2013 of the European Parliament and of the Council[1], and the Connecting Europe Facility, provided by Regulation (EU) No 1316/2013 of the European Parliament and of the Council[2], should be reduced. ~~Those programmes serve purposes that are not replicated by the EFSI. However, the reduction contribution of both programmes to finance the guarantee fund is expected to ensure a greater investment in certain areas of their respective mandates than is possible through the existing programmes. The EFSI should be able to leverage the EU guarantee to multiply the financial effect within those areas of research, development and innovation and transport, telecommunications and energy infrastructure compared to if the resources had been spent via grants within the planned Horizon 2020 and Connecting Europe Facility programmes. It is, therefore, appropriate to redirect part of the funding presently envisaged for those programmes to the benefit of EFSI.~~"*

This amendment is proposed to avoid that in the future Horizon 2020's budget is used for all other "urgent" initiatives (including for a possible second phase of the EFSI. In addition, EARTO members would like to suggest **removing the proposed budgets for the different subheadings of the Connecting Europe Facility and Horizon 2020 as presented in the table 3.2 on pages 33-36.** The EFSI proposal should only present the **total** amounts per year for the two programmes. The expenditure of the different subheadings' should be amended **separately** following the appropriate procedures and **involving the relevant European Parliament Committees** (i.e. ITRE Committee for amendments on Horizon 2020).

Accordingly, the final table on page 33-36 should be as follows:

3.2. Estimated impact on expenditure

Sources of financing for the European Fund for Strategic Investments	2015	2016	2017	2018	2019	2020	Total
CONNECTING EUROPE FACILITY,	790	770	770	970	-	-	3300
<i>Deletion of ALL subheadings budgets under this heading</i>							
HORIZON 2020	70	860	871	479	150	270	2700
<i>Deletion of ALL subheadings budgets under this heading</i>							
TOTAL CONTRIBUTION TO THE EFSI	1360	2050	2661	1 999	20	20	8110

Finally, to ensure coherence throughout the Regulation text, EARTO proposes the additional amendments to the recitals and legislative financial statement:

- **Recital 10:** "The purpose of the EFSI should be to help resolve the difficulties in financing and implementing innovation-driven and productive investments in the Union and to ensure increased access to financing."
- **Recital 14:** "The EFSI should target projects delivering high societal and economic value. In particular, the EFSI should target projects that promote sustainable innovation and enhance research and innovation capabilities for job creation, long-term growth, and competitiveness."
- **Recital 17:** "The Investment Committee should be composed of independent experts who are knowledgeable and experienced in the areas of investment projects as well as research and innovation."
- **Legislative Financial Statement (page 27):**
 - 2) Transport infrastructure in industrial centres, education, research and innovation
 - 3) Investment in education and training, research and development including research and technology infrastructures relevant for innovation

EARTO remains at the disposal of the Members of the European Parliament and the Council representatives for further discussion on those amendments.

EARTO - European Association of Research and Technology Organisations

EARTO is the European trade association of the research and technology organisations (RTOs), a non-profit organisation founded in 1999. EARTO groups over 350 RTOs with a combined staff of 150,000, an annual turnover of €23 billion, special equipment and facilities to a value of many €billions and more than 100,000 customers from the public and private sectors annually.

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