

Amending budget 2/2015: European Fund for Strategic Investments (EFSI)

2015/2011(BUD) - 13/01/2015 - Commission draft budget

PURPOSE: presentation of draft amending budget No 1 to the general budget 2015.

CONTENT: on 26 November 2014, the Commission proposed "[An Investment Plan for Europe](#)" aiming at the mobilisation of at least EUR 315 billion in additional investment over the next three years. To this end, a new **European Fund for Strategic Investments (EFSI)** will be set up in partnership between the Commission and the European Investment Bank (EIB). EFSI will be supported by a guarantee of EUR 16 billion from the EU budget, backed by a guarantee fund covering 50% of the EFSI outstanding liabilities.

[The legislative proposal for the establishment of EFSI](#) was adopted by the Commission on 13 January 2015. According to the conclusions of the European Council held on 18 December 2014, the Union legislators are invited to agree on the proposals by June 2015, so that new investment can be activated as early as mid-2015.

In accordance with the legislative proposal, Draft Amending Budget (DAB) No 1 for the year 2015 creates the **budgetary structure for the provisioning of the guarantee fund**, and possible calls on the EU guarantee, as well as the budgeting of the appropriations for the provision of advisory support for investment project identification, preparation and development.

Provisioning of the guarantee fund: the amount of the guarantee fund shall be gradually increased to reach the target amount of EUR 8 billion, i.e. 50% of the total EU guarantee of EUR 16 billion. Payment appropriations from the general budget of the Union shall be phased in by 2020 following the indicative schedule provided in Annex I of the draft regulation establishing the Funds.

No payment appropriations are required for the budgetary year 2015.

The EUR 8 billion in commitment appropriations required for provisioning the guarantee fund will be financed as follows:

- EUR 3.3 billion from the Connecting Europe Facility (CEF);
- EUR 2.7+ billion from Horizon 2020 (H2020);
- EUR 2 billion from unallocated margins under the expenditure ceilings of the multi-annual financial framework (MFF), including the possible use of the Global Margin for Commitments.

It is also proposed for an amount of EUR 1 350 million in commitment appropriations is proposed to be redeployed to the new budget article (01 04 05) to provision the EFSI guarantee fund for the year 2015 by:

- reducing the CEF commitment appropriations by EUR 790 million (on the basis of the sector-specific multi-annual work programmes);
- reducing the commitment appropriations of H2020 to EUR 70 million to take account of the consortia planning activities and the proposals already prepared by the European research community for the year 2015;
- reallocating EUR 490 million in 2015 from ITER (budget item 08 04 01 02).

In addition, for the year 2015, the Commission proposes to budget EUR 10 million in both commitment and payment appropriations on the new budget article 01 04 06 as contribution from the general budget of

the Union to the financing of the European Investment Advisory Hub (EIAH). The European Investment Bank and the Commission estimate the level of the required annual contribution from the Union to the EIAH at EUR 20 million. Given the envisaged date of June 2015 for the adoption of the EFSI regulation, **the Commission proposes to budget EUR 10 million for 2015.** The Commission proposes to offset these amounts through a corresponding reduction of the ITER budget item 08 04 01 02 in commitments and payments.

Budgetary structure: the purpose of DAB No 1 is to propose the necessary changes to the budget nomenclature and to make the **corresponding reallocation of EUR 1 360 million in commitment appropriations and EUR 10 million in payment appropriations.** The overall impact in terms of expenditure or revenue is **neutral for the 2015 budget.**