



Европейски парламент Parlamento Europeo Evropský parlament Europa-Parlamentet Europäisches Parlament  
Euroopa Parlament Ευρωπαϊκό Κοινοβούλιο European Parliament Parlement européen Parlaimint na hEorpa  
Europski parlament Parlamento europeo Eiropas Parlaments Europos Parlamentas Európai Parlament  
Parlament Ewropew Europees Parlement Parlament Europejski Parlamento Europeu Parlamentul European  
Európsky parlament Evropski parlament Euroopan parlamentti Europaparlamentet

Kristalina GEORGIEVA  
Vice-President for Budget & Human  
Resources  
European Commission  
Rue de la Loi 200  
1049 Bruxelles  
Belgique

Brussels, the 26th of July, 2016

Dear Vice-President,

We are writing to you in the view of the orientation debate on the review of Multiannual Financial Framework (MFF) scheduled at the College tomorrow. **Having heard about the risk that CEF will be once again used to support the extension of the EFSI guarantee fund**, and notably the CEF transport Financial Instruments budget, we would like raise your attention on some concerns.

As you know, Europe's attractiveness, companies' competitiveness and citizens' welfare are highly dependent on a well-functioning single European transport area. CEF objectives and method remains thus more relevant than ever.

Moreover, this programme has been extremely performant so far and the **CEF intervention was decisive in most cases: without it, it is very likely that most projects supported would not have taken place**. In 2014 and 2015 calls for grants were 2 to 3 times oversubscribed and jointly 458 projects were supported, mobilising €37.6 billion of total investment. As a result of this performance, out of the €26 billion initially allocated, **further decreased by €2.3 billion to fuel the EFSI guarantee fund**, the CEF envelope is almost empty for the remaining 4 years of the MFF (€2.8 billion in grants and €1.3 billion in financial instruments).

**All these elements might bring us to support a stronger CEF and increase its envelope within the MFF review.** And not the contrary.

In terms of transport, we know the EFSI pipeline is performing well (12 projects, totalling €8.5 billion and generating around 60.000 jobs). However, on the one hand, it is likely that most of these projects would have taken place without EFSI integration (the additionality required by the co-legislation is at least questionable, contrary to the CEF). On the other hand, most projects supported are not in line with EU political priorities as defined in CEF and TEN-T guidelines as road projects are over-represented, accounting for half of the said pipeline.

Nonetheless, the EFSI, by aiming at bridging the investment gap, remains an important but not sufficient tool and should be supported/further promoted?.

That is why we fully support the extension of the EFSI, but the solution according to us would not be to use part of CEF financial instruments budget but to use part of this budget in the form of grants for **blending** with EFSI. By covering the first loss deriving from the risk inherent to infrastructure projects and when combined with financial instruments, grants can help reassure potential investors and therefore increase the additionality as well as the leverage effect of projects supported

Finally, dear Vice-President, as all the stakeholders of infrastructures financing (most of institutional investors operating in Europe, many project promoters, National promotional banks and even EIB) unanimously argue within the works of the intergroup on long term investment **blending is the key to boost investment. To make EFSI a success and to emphasise blending we need more grants. We need thus a stronger CEF.**

We thank you in advance for your consideration on this dossier and I remain at your disposal should you need further information.

Yours sincerely,

Dominique RIQUET

*Member of the European Parliament, Chair of the Intergroup "Long-term investment and reindustrialisation", Vice-Chair of the Committee on Transport and Tourism.*

Sylvie GOULARD

*Member of the European Parliament, ALDE-Coordinator in the Committee on Economic and Monetary Affairs.*

Nathalie GRIESBECK,

*Member of the European Parliament, Member of the Committee on Civil Liberties, Justice and Home Affairs, Member of the Intergroup "Long-term investment and reindustrialisation".*

Marian-Jean MARINESCU

*Member of the European Parliament, Vice-Chair of the EPP Group, Member of the Committee on Transport and Tourism.*

Markus PIEPER

*Member of the European Parliament, Member of the Committee on Transport and Tourism.*

Guy VERHOFSTADT

*Member of the European Parliament, Chair of the ALDE Group.*

Copy:

- President J.C. Juncker
- Vice-President J. Katainen