

Beat: Politics

MEPs vote on new fund to put EU investment plan into practice

315 billion euros

Madrid / Brussels, 20.04.2015, 18:26 Time

USPA NEWS - The Parliament's budget and economic committees vote on 20 April on the establishment of the European Fund for Strategic Investments (EFSI), a key element of the EU's €315 billion plan to overcome the shortage of investment in the European economy caused by the crisis.

This ambitious initiative, launched by the European Commission led by Jean-Claude Juncker, should entail no extra financial burden for taxpayers. The aim of EFSI, to be run by the European Investment Bank (EIB), is to provide public support for projects that are economically viable, but would not otherwise happen because private investors are hesitant to finance them due to the uncertain economic situation and the higher risk involved. EFSI will assume part of that risk, thus encouraging private investors to get on board.

The fund is planned to include a €16 billion guarantee from the EU and a further €5 billion from the EIB. This would allow the EIB to issue bonds for three times this amount and use the cash to co-finance projects alongside private investors so that every euro spent by the investment fund will attract an additional €15 in investment from companies and public authorities, leading to an overall investment of €315 billion.

"The 15 times multiplier effect is very realistic. The plan will succeed if it can mobilise private investment, support businesses -in particular small and medium-sized companies- and contribute to deepening the internal market. Its complementarity and additionality [to other programmes] will guarantee the success," said Portuguese EPP member José Manuel Fernandes, who is responsible for steering the plan through the Parliament on behalf of the budget committee.

German S&D member Udo Bullmann, his counterpart from the economic committee, added: "The investment plan will only succeed if it reaches people's everyday life: more and better jobs, sustainable growth to overcome the crisis. Democratic control and involvement of the EP in the process are imperative. Selected projects should be those that have high economic and social value, but are in need of a kick-off, especially in underfinanced sectors such as infrastructure, broadband and energy efficiency."

Article online:

<https://www.uspa24.com/bericht-3874/meps-vote-on-new-fund-to-put-eu-investment-plan-into-practice.html>

Editorial office and responsibility:

V.i.S.d.P. & Sect. 6 MDSStV (German Interstate Media Services Agreement): Jose A. Martin

Exemption from liability:

The publisher shall assume no liability for the accuracy or completeness of the published report and is merely providing space for the submission of and access to third-party content. Liability for the content of a report lies solely with the author of such report. Jose A. Martin

Editorial program service of General News Agency:

United Press Association, Inc.
3651 Lindell Road, Suite D168
Las Vegas, NV 89103, USA

(702) 943.0321 Local

(702) 943.0233 Facsimile

info@unitedpressassociation.org

info@gna24.com

www.gna24.com