

**CLOSING REMARKS: CONFERENCE OF THE LONG-TERM INVESTMENT AND
REINDUSTRIALISATION INTERGROUP OF THE EUROPEAN PARLIAMENT**

"THE JUNCKER PLAN: AND SO WHAT?"

EUROPEAN PARLIAMENT

28 JUNE 2016, 20:20



Dear Vice-Chairman Balz, dear participants,

It is a pleasure for me to stand here to deliver the closing remarks for today's conference and share the **European Committee of the Regions views on delivering the Juncker Plan**.

Our mayors and regional presidents have from the very beginning and continue to express its full **support for the Plan**. We have a strong interest since local and regional authorities undertake the majority of public investment in the EU. Long-term investment is an issue that is particularly important to our Committee and to me personally, as I have recently started my work as rapporteur on "Bridging the Investment Gap".

For our Committee, **investment lies at the heart of revitalising Europe's industry and economy**. Local and regional decision-makers are not only responsible for two thirds of public investment, but also contribute significantly to the creation of a suitable environment for private investment. By renewing infrastructure, identifying and removing obstacles to investment and linking public and private partners together, LRAs are at the heart of creating sustainable growth and jobs. **The CoR has promoted these synergies and bottom-up action for years now and we'll keep supporting this "place-based" approach** which leaves it up to individual regions to decide whether or not industrial modernisation should be the focus of their strategies for growth and jobs.

In particular, we need to **double the focus both on long-term infrastructure investments and funding for small businesses**. At the local level, it is evident how much these two aspects of investment go hand-in-hand. If I think of a small company in my city of Espoo in Finland, that finally gets the business financing it needs to expand to new markets, what good would that be if it didn't have the quality (hard and soft) infrastructure in order to function efficiently? This reality was one of the reasons why cities and regions were supportive of the Investment Plan from the start.

Now it has been over 18 months since the launch of the Investment Plan for Europe - a year and a half since investment was recognised as one of the top EU priorities.

Since then, a lot of questions have arisen: Where would the money come from? How would the decisions be taken? What about that multiplier effect? And – very important for regions and cities – how would this work with the other sources of EU funds? Cohesion policy remains the EU's biggest investment policy but how would the two work together? We also wondered about geographic coverage, about different sectors, and about the crucial issue of additionality.

It's only been a **year and a half since the launch so I don't think we should be talking about end results** but we can look at what has been achieved so far. In the past weeks and months, and again this evening, the Commission and the European Investment Bank have released figures and given their assessment of the Plan to date. Looking more specifically at the European Fund for Strategic Investments (EFSI), we have now **almost a third of the target investment already achieved** and an impressive performance for the SME window. So the news is rather good, clearly, and this has been duly recognised by many of the people who have spoken here before me: **we are going in the right direction**.

However, there is much more work to do. Despite the success shown by the numbers – not just for EFSI but for other components of the Investment Plan too, such as the **Advisory Hub, or Investment Portal** – some doubts are still there.

One of those questions is about the balance of projects. It is worrying that the countries that have so far benefited the least from the Investment Plan – in terms of larger infrastructure and innovation projects for instance – are also the countries with the largest investment gaps: countries where the ratio of investment to national income has gone down the most in the past few years.

Of course EFSI shouldn't help fund a given project simply because it is in one country rather than another. No one wants the EFSI guarantee to be used to back the construction of bridges to nowhere, just because they tick the right boxes on a form. But I find it hard to believe that so few worthwhile, bankable projects can be found in the places that could use the extra investments the most.

If awareness or administrative capacity or finding the right intermediaries are where the issues lie, then we need to provide enough support in these fields to allow all Member States, and all regions and cities within them, to have their chance to benefit from the Investment Plan. If we do this right, no need for quotas to ensure fairness.

Another key question which remains open is the issue of additionality.

The EIB claims that the projects that have been funded by EFSI are additional investments because they are riskier than the ones they normally finance. That's good, of course, but it is not enough. We need to be able to see that **those projects may not have been financed without EFSI**, because that was exactly what the Juncker Plan was supposed to do.

Don't be mistaken, I am not saying that this is not what is happening. But what I am saying is that I am not sure. So I want to take this opportunity to add my voice to those that have been **calling for more information, more data**, to be made available so that politicians, journalists and citizens can see for themselves whether the Juncker Plan is fully delivering on its promises – or whether more work needs to be done.

Investment Platforms, which were also discussed today, are one aspect where here is scope to work together with the local and regional level. The CoR, and all our members representing local and regional authorities throughout Europe, are ready to play their part. With our knowledge of the situation on the ground we can help strengthen awareness, take part in identifying projects or in pointing out bottlenecks and we be key interlocutors in setting up and running Investment Platforms. For instance, we recently received from **Vice-President Katainen the proposal to join Investment platforms in urban areas**. If successful, this initiative could also support the implementation of the Pact of Amsterdam on the EU Urban Agenda.

In closing, I would like to mention my discussions with **Commissioner Bienkowska** where **to talked about initiatives on cluster partnerships** that bring together business and industry with local and regional actors. We welcome the Commission's approach to combine regional policy and industrial policy tools, to position industrial policy in its regional context and to capitalise on the potential of regions' Smart Specialisation Strategies to promote innovative industrialisation or industrial modernisation.

As part of our efforts to relaunch investment, more than 700 hundreds of mayors and presidents of regions, as well as business and academia representatives, are gathering in Bratislava next week on 8-9 July for the 7th European Summit of Regions and Cities entitled "Invest and Connect". Several EU Commissioners will take the floor in Bratislava as well as our friends from the **European Investment Bank** will also be present at high level.

Such debate will be bottom-up, starting from the needs and from the solutions identified on the ground, while going up to the shaping of policy and budgetary measures. We'll adopt a **Declaration** (complemented by a Policy Action Plan on Investments) setting our forward-looking vision on how best to promote investment in Europe's cities and regions for tangible results.

This event could be a good opportunity for some of you here to showcase examples of investments across Europe. I warmly invite all of you be active in our Bratislava Summit and provide tangible examples of investments that you are promoting in your regions and cities, with (or without) the support of the EU budget.

With these words, I look forward to continuing to work with all stakeholders in order to find the best way to bridge Europe's investment gap.

Thank you very much for your attention.

End
[1346 words]

