



European Fund for Strategic Investments

Five points from an urban perspective

March 2015

Europe's future lies in its cities. They are where the main challenges and opportunities in Europe come together. Well-performing cities and metropolitan areas are crucial not just for the local, regional and national level, but for Europe as a whole. Their performance is critical to Europe's global competitiveness and to the new start for the EU launched by the European Commission.

This broader EU agenda must fully recognise the potential and capacity of Europe's cities to deliver on the EU's strategic objectives and on effective investment programmes in its regions. Cities are Europe's drivers of sustainable economic development, where jobs and innovation are concentrated. At the same time, they are frontline managers of climate action and social inclusion.

Boosting investments in support of jobs and growth is a shared responsibility for all levels of governance. As cities, we are committed to ensuring jobs and quality of life for our citizens. The Commission's proposal for a European Fund for Strategic Investment (EFSI) can be an important step forward. For cities to fully play their role in its implementation, we draw attention to the following points:

- **General objectives:** the explicit mention of infrastructure projects in environmental, urban development, and social fields must be maintained. In addition, the investment potential in urban areas is clear under the objectives on transport, energy and digital infrastructures development, investments in education and research, and expansion of renewable energy and resource efficiency.
 - **Technical assistance:** the European Investment Advisory Hub (EIAH) is welcome. Support for the use of technical assistance for project structuring and use of innovative financial instruments is much needed in cities. It will enhance our capacity to realise the large strategic investment projects that Europe needs. We encourage the European Commission and the EIB to clarify how the EIAH will work and how cities can benefit from its services.
 - **Job gain:** for investments to have an impact for our citizens, the potential for job creation must be an explicit criteria for project selection. We can ensure better results for jobs if investments also support education and skills development at all levels of the labour market together with effective labour market interventions.
 - **Effective partnerships with cities:** EFSI financed operations should complement and strengthen local city actions with future fit and sustainable investments, to move
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away from business as usual. The integrated approach at city level, linking investments with skills development and jobs, must be better recognised and enabled by all levels of government. For this, effective partnerships are needed between cities, national governments, the Commission and EIB in implementing EFSI.

- Complementarity: EFSI investments, with their focus on higher risk projects, will by nature be different to other EU funded projects in member states and in our cities. Coordination of priorities with other EU instruments such as European Structural and Investment Funds, Horizon 2020 and the Connecting Europe Facility is nevertheless important to ensure complementarity of the tools as well as clarity for stakeholders. Channelling funds from Horizon 2020 and the Connecting Europe Facility to EFSI should not undermine the already identified investment needs in those programmes related to for example smart cities and communities and on the Trans-European Transport Network, notably in the urban nodes.