



Press Release
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Clear differences of opinion on financial instruments at EU Auditors' high-level conference

The Chair of the European Parliament's Budgetary Control Committee, Ingeborg Grässle, has reproached the European Commission over its "naïve enthusiasm" for financial instruments such as the European Fund for Strategic Investments (EFSI). For its part, the Commission responded that "we cannot afford not to use financial instruments".

The EU Auditors' high-level conference on financial instruments, held in Luxembourg on Tuesday 15 November, brought together a broad spectrum of representatives from the public and private sector to consider how financial instruments can best be used to provide financial support from the EU budget.

The conference was opened by ECA President Klaus-Heiner Lehne, who warned that the current challenges facing the EU are greater and more numerous than ever before. Mr Lehne said that the increased use of financial instruments could contribute to enabling the Union to meet these challenges. However, he underlined the risks associated with the increasing use of financial instruments not directly audited by the ECA, saying "We need to be able to ensure that these instruments always function as effectively as they should".

Iliana Ivanova, who initiated the conference and who was the Member responsible for a special report on financial instruments published earlier this year, said that financial instruments could help the EU to achieve more with the available budget if they were used properly. She noted that they presented a "steep learning curve" for their managers and controllers, but concluded that it was crucial to maintain momentum for their successful implementation in the years to come.

Mihails Kozlovs, the ECA Member responsible for the ECA's recent EFSI Opinion, likened financial instruments to a potential new own-resource in the hands of EU policymakers. But as the support to financial instruments from the EU budget increases, he also emphasised the need to ensure adequate controls. On EFSI, Mr Kozlovs said "We have to monitor whether it is achieving the results it set out to achieve, also in terms of attracting private capital".

In her remarks, Ms Grässle expressed concern about reporting on financial instruments. "We need to know what has happened and what has not happened with EU money", she said. "It is unacceptable to tell taxpayers that we have lost money, but we learnt a lot". Ms Grässle reproached the Commission for its "naïve enthusiasm" over financial instruments and urged both the Commission and the European Investment Bank "not to give up" on bringing more transparency to the EU budget's financial instruments.

On behalf of the European Commission, Nicholas Martyn, the Deputy Director-General for Regional and Urban Policy, made clear that financial instruments were as carefully scrutinised as other operations and that they were "not a black hole where we don't know the risks". Mr Martyn added that for 2014-20 the reporting from Member States would enable the Commission to assess performance better. "We cannot afford not to use financial instruments", he said.

ECA Press

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Notes to Editors

Financial instruments are increasingly used to provide support from the European Union budget through loans, guarantees and equity investments. In certain circumstances, they may represent a better way to spend public money as they offer two specific benefits, firstly allowing additional private and public money to be mobilised to supplement initial public funding and secondly enabling reuse of the same funds over several cycles.

The conference drew on the conclusions of the recent [Special Report](#) by the European Court of Auditors (ECA) "Implementing the EU budget through financial instruments – lessons to be learnt from the 2007-2013 programme period". Speakers and panellists discussed matters such as how to implement financial instruments at a reasonable cost, how to attract capital from the private sector, and how to ensure the revolving effect of financial instruments.

All information on the conference is available on the [conference website](#), including photographs of the participants.