European Fund for Strategic Investment: Making it Democratic, Social and Sustainable

The Semester Alliance, a broad European coalition bringing together environmental, social and equality NGOs and trade unions, calls on the European Council and the European Parliament to ensure that the European Commission’s proposal for a European Fund for Strategic Investment (EFSI) focuses on achieving the Europe 2020 targets. For this to be attained, changes must be made to the proposal to ensure that the Investments will have a particular focus on Social and Sustainable projects, whilst also being based on a transparent and democratic decision-making process.

The Semester Alliance welcomes the European Commission’s efforts to unlock additional investment for the real economy; yet strongly regrets that this is not being executed within the framework of the Europe 2020 strategy; the latter visibly being considered of secondary importance in the eyes of the Commission. Without an emphasis on creating quality jobs and sustainable growth in view of achieving the Europe 2020 targets, the Investment Plan would fail in targeting projects able to deliver the kind of society and economy the EU wants and needs; instead focusing on short-term gains. All citizens have to be at the centre of EU action to ensure that that new investments will meet people’s needs rather than just boost economic growth.

The Alliance also notes that the potential of the Europe 2020 strategy has been seriously undermined by a lack of clear political commitments to its goal and target; including making the most of concepts such as Social Investment, Greening the Economy and Equality between women and men. Aligning the EFSI to Europe 2020 targets would demonstrate the EU’s commitment towards achieving smart, sustainable and inclusive growth.

“The Commission’s proposal for the EFSI clearly misses out on the huge opportunity the European Union has in investing into social and environmental growth sectors. The European institutions should aim at unlocking the job creation and growth potential of these two sectors through the fund, which would be an important step towards achieving the Europe 2020 targets” said Luk Zelderloo, Member of the Semester Alliance and Secretary General of the European Association of Service providers for Persons with Disabilities.

Given that the European Commission primarily intends the EFSI to mobilise investment into “large infrastructure projects”, it is essential that the fund is earmarked to investing in projects contributing in particular to the Europe 2020 poverty and social targets (employment and education) and the 20-20-20 climate and energy targets. This
includes that 20% of the fund be earmarked for projects related to social inclusion, which could include both modernising Europe’s social infrastructure and investment into the human capital of the social services sector (recruitment, improving working conditions, wage equality); consequently helping to unlock the huge job creation potential in the sector. A similar amount should be earmarked for supporting projects aiming towards a greener society; thus supporting the development of Green growth in Europe.

The Semester Alliance is also disappointed about the little scope or encouragement given to public authorities to play a significant role in the investment plan. Public funding has an essential role to play to boost social and green investment throughout Europe and the investment plan should not be used as an excuse for public authorities to withdraw from their role in these areas.

Last but not least, in order to guarantee that the EFSI is used as a means to achieving the Europe 2020 targets and strategy, the European Council and the European Parliament must call on the Commission to ensure that the EFSI Investment Committee is both transparent and accountable in its project selection. Meaningful engagement and consultation with stakeholders and civil society will also be vital. The appointment of two independent specialists in social policies and energy and environmental policies is essential in order to guarantee the fund benefits society as a whole, through quality job creation and sustainable growth, and contribute towards achieving the 2020 targets; rather than short term gain for the construction sector and the European Commission.

“We must stop thinking in dichotomies and call on the European Council to ensure that any EFSI investment puts welfare, equality and sustainability at the core of an ambitious future-oriented EU policy that is close to its citizens”, noted Barbara Helfferich, Director of EAPN, Member of the Semester Alliance.

Our Recommendations

The Semester Alliance calls on the European Council and the European Parliament to support the following recommendations and modify the European Commission’s proposal accordingly:

- Re-aligning EFSI to the Europe 2020 strategy, with earmarking for specific 2020 targets
- Ensuring that EFSI focuses on delivering the EU’s commitments towards “Social Investment”, “More and Better Jobs”, “Environmentally Sustainable Development” and “Equality between women and men”
- Greater coherence and transparency in the selection of investment projects, following the philosophy of the balanced EU2020 agenda.

NOTES TO THE EDITOR:

The Alliance’s key documents

- Semester Alliance’s analysis of the 2014 Semester (April 2014)
- Semester Alliance’s report on the European Semester (October 2014)

The Semester Alliance

The EU Alliance for a democratic, social and sustainable European Semester or (EU Semester Alliance) is a broad coalition bringing together 14 major European civil-society organisations and trade unions, representing thousands of member organisations on the ground at European, national and local levels in the European Union.

The Semester Alliance aims to support progress towards a more democratic, social and sustainable Europe 2020 Strategy,
through strengthening civil dialogue engagement in the European Semester at national and EU levels.

**The Semester Alliance members**

The Alliance members include:

- Age Platform Europe
- Caritas Europa
- Housing Europe
- Eurochild
- Eurodiaconia
- European Anti-Poverty Network (EAPN)
- European Association of Service Providers for Persons with Disabilities (EASPD)
- European Environmental Bureau (EEB)
- European Federation of Food Banks (FEBA)
- European Federation of National Organisations working with the Homeless (FEANTSA)
- European Public Service Union (EPSU)
- European Women’s Lobby (EWL)
- Green Budget Europe
- Platform for International Cooperation on Undocumented Migrants (PICUM)

Supported by:

- Social Platform
- European Trade Union Confederation (ETUC)

**The Alliance – A voice to be heard and followed**

[http://semesteralliance.net](http://semesteralliance.net)

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*Enabling civil-society to participate in the shaping of EU policies and to contribute to progress on the Targets of the Europe 2020 Strategy concerns us all!*