Union of European Federalists
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RESOLUTION OF THE UEF FEDERAL COMMITTEE ON THE JUNCKER EUROPEAN INVESTMENT PLAN

Adopted by UEF Federal Committee, Brussels on 18 April 2015.

Welcoming

the investment plan aimed at mobilizing of 315 billion Euros of public and private investment in the real economy over the next three years, that President Juncker presented to the European Parliament, in order to promote economic growth and job creation;

Reminding

that a European growth policy has been extensively invoked since the burst of the crisis. Seven years of financial and economic downturn have destroyed millions of jobs across Europe, while the overall investment rate remains far below the pre-crisis level;

Noting

that key fields for re-launching a new cycle of European economy (such as energy and telecommunications) have a cross-border nature and thus require an European approach that can better and more efficiently tackle current challenges than investment plans at the national level;

Recalling

Tommaso Padoa-Schioppa's, former Vice-President of the ECB, words, that "The development policy should be the responsibility of Europe, while the rebalancing policy should be the responsibility of the Member States";

Stressing

that the EU needs a federal investment policy to complement the monetary union, in particular it lacks a fiscal and investment arm to counteract the macroeconomic shocks that affect some national economies and to undertake genuine EU investment policies at a federal level.

Stresses at the same time

i. the political limits of the Juncker European Investment Plan. In particular that the European Commission has only a competence to select projects proposed by Member States and cannot exert the political power to promote a coherent European plan of investments, conceived to give to the EU those innovative platforms of development which are necessary to catch up with the other world macro areas with high-intensity models of development;

ii. the financial limits of the Juncker European Investment Plan, which can count mainly on private capitals. So the EIB contribution is the only fresh money, while member states make voluntary contributions. And so far, the only few states that have decided to contribute, have focused on national projects, instead of allocating new resources directly to the Plan. This funding strategy clearly hinders the potential of the investment plan.

And encourages

the European Parliament and the European Council to make proposals to overcome the limits stressed in these resolutions

Notes

that the awareness of these limits and of the weakness of the current governance framework, particularly in the Eurozone (that prevents the euro area from being a shock resilient and prosperous area, in the long run~~,~~), has been emphasized by Juncker himself in his Analytical Note Preparing for Next Steps on Better Economic Governance in the Euro Area;

Stresses the need for the EMU

to rely on *strong common institutions* instead of relying only on strong rules, as it is the case now (and as it is asked in Juncker's Analytical Note); so as to have the necessary political instruments at European level (i.e. political power, autonomous fiscal capacity, accountability and democratic legitimacy through to the strengthening of the European Parliament's powers) in order to launch an effective European New Deal able to promote growth, competitiveness and employment.

Looks forward

for the forthcoming 4 Presidents' Report on the deepening of the Economic and Monetary Union.