EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 13/07/2009 - Final act

PURPOSE: to grant a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community for the period 2007-2011.

LEGISLATIVE ACT: Decision No 633/2009/EC of the European Parliament and of the Council granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community.

CONTENT: following an agreement reached at first reading with the European Parliament, the Council adopted a decision granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community.

The EU guarantee will cover EIB financing operations signed during the period beginning on **1 February 2007 and ending on 31 October 2011**, up to a global amount of **EUR 27.8 billion**, including an optional mandate of EUR 2 billion. The Community guarantee shall be restricted to 65% of the aggregate amount of credits disbursed and guarantees provided under EIB financing operations, less amounts reimbursed, plus all related amounts.

The basic ceiling referred to in paragraph 3(a) shall be broken down into the following binding regional ceilings:

a) ***pre-accession countries***: EUR 8.7 billion;

b) **neighbourhood and partnership countries**: EUR 12.4 billion. This amount is broken down into the following indicative sub-ceilings: Mediterranean countries: EUR 8.7 billion; Eastern Europe, Southern Caucasus and Russia: EUR 3.7 billion;

c) ***Asia and Latin America***: EUR 3.8 billion. This amount is broken down into the following indicative sub-ceilings: Latin America: EUR 2.8 billion; Asia (including Central Asia): EUR 1 billion;

d) ***Republic of South Africa***: EUR 900 million.

e) ***Optional mandate***: EUR 2 billion.

The text stresses that EIB financing operations should be consistent with and support the Community's external policies including specific regional objectives and should contribute to the general objective of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the observance of international environmental agreements to which the Community is a party.

In relation to developing countries in particular, EIB financing operations should foster: sustainable economic and social development of these countries, more particularly in the most disadvantaged amongst them; their smooth and gradual integration into the world economy; the campaign against poverty; the general objective of developing and consolidating democracy and the rule of law; the general objective of

respecting human rights and fundamental freedoms; as well as compliance with objectives approved by the Community in the context of the United Nations and other competent international organisations.

The Commission shall present to the European Parliament and the Council a **mid-term report** on the application of this Decision by **30 April 2010**, accompanied by a proposal for its amendment, inter alia, drawing upon an external evaluation. That proposal for a new decision should address, amongst other things, the issue of greater scrutiny by the European Parliament and the Council of all budgetary and political decisions to be taken by the EIB and the Commission in the framework of that new decision, the issue of transparency of the whole financing mechanism, and the issue of the limitation of Community guarantee compared to disbursed appropriations.

It shall present a final report on the application of this Decision by 31 July 2013.

ENTRY INTO FORCE: 25/07/2009.