EU guarantee to the European Investment Bank (EIB) against losses under loans and loan guarantees for projects outside the Union

2010/0101(COD) - 23/09/2011 - Commission communication on Council's position

The Commission **fully supports** the results of the inter-institutional negotiations and can therefore accept the Council's position at first reading.

Following the trilogue negotiations on 27 June 2011, the Chairman of the BUDG Committee of the European Parliament sent a letter to the Hungarian Presidency confirming that should the Council adopt as its position at first reading the text approved by the ECOFIN (subject to legal-linguistic verification), he would recommend to the BUDG Committee and then to the Parliament as a whole in plenary session, that the Council's position be accepted without amendment at Parliament's second reading. The General Affairs Council reached a political agreement on this basis on 18 July 2011.

The main points which were negotiated and agreed upon by the three institutions are the following:

(1) The amount of the regional ceilings:

- EUR 1billion increase of the ceiling for the Southern Neighbourhood region. An increase of 4% of all other regional and sub-regional ceilings of the general mandate; the overall increase would be of around EUR 1.7 bn (on top of the EUR 2bn additional climate change mandate);
- the above increases would be flagged to be of a temporary nature and with soft conditionality (increases dedicated to countries undertaking political reform as assessed by the Commission with the involvement of the EEAS);
- in terms of flexibility, the EIB governing bodies may decide to reallocate an amount of up to 10% of the regional ceilings of the general mandate *within and between* regions (it used to be only *between* regions).

(2) Development aspects:

- some amendments were introduced at the request of the EP focussing on the need for EIB to better report and assess the development, social, environmental and human rights impact of its activities (e. g. by defining specific performance indicators and thoroughly monitoring those aspects throughout the lifecycle of a project);
- the text has been clarified further to reflect that the EIB's support to poverty reduction and the achievement of Millennium Development Goals would mainly be indirect by fostering inclusive growth and sustainable economic and social development through the financing of operations following the general objectives set out in the Decision.

(3) Country eligibility:

- Belarus will not be declared eligible (while it will remain 'potentially' eligible);
- the Commission will be empowered to activate the mandate for potentially eligible country or also to deactivate/suspend it through delegated acts (under the previous Decision, this would have required an ordinary legislative procedure). This will allow the Commission to more rapidly activate /suspend the mandate in certain countries if political circumstances change;

- from a technical point of view, two lists have been set up in Annexes to the Decision: the list of all potentially eligible regions and countries and the list of actually eligible regions and countries (the second one only comprising country from the first one). The Commission would be empowered to modify the second list by delegated acts.

(4) EU Platform on Cooperation and Development: it has been agreed that the Commission will set up and chair a Group of Experts (GoE) to study the concept of an EU Platform for Cooperation and Development. The GoE will be composed by the Commission, EEAS, Member States and EIB. Other financial institutions will be consulted but not be permanent members of the GoE.

(5) Regional policy framework: Recitals 15 – 20 in the Commission proposal were moved to a new Annex IV "regional policy framework", after appropriate redrafting.