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 - Council position

The Council's Position at first reading reflects the compromise reached in negotiations between the Council and the European Parliament, facilitated by the Commission.

The main amendments are as follows:

(1) Development orientation: the Council's first reading position integrates the European Parliament's emphasis on the **EIB's indirect contribution to general guiding principles and policy objectives of the European Union**, including the development of third countries, whilst preserving the EIB's distinctiveness as an investment bank.

The EIB is therefore invited to better frame the development impact of its external operations.

With a view to the new requirements introduced, a gradual adjustment of EIB resources is to be ensured whilst opportunity to further enhance efficiency and effectiveness should be exploited. **Enhanced cooperation** with other International Finance Institutions (IFIs) and European bilateral finance institutions (EBFIs) is foreseen. The possibility envisaged by the Parliament to create a **group of experts** to study the development of an EU platform for cooperation and development is taken into account in a modified recital.

The Council position also follows the European Parliament approach emphasising the **role of SMEs** and the need to foster their access to financial services.

(2) Mandate Ceilings: the Council position at first reading takes into account the European Parliament proposal to increase the mandate ceilings as compared to the Commission proposal in light of temporary and exceptional circumstances, and without pre-judging the ceilings under the next multi-annual financial framework.

On the one hand, the Council accepts the European Parliament amendment to **increase by EUR 1 billion the sub-ceiling for Mediterranean countries** in order to provide appropriate support to the region in the context of the unrest in the Southern Mediterranean in 2011.

On the other hand, the Council accepts partly the increase across all other regions proposed by the European Parliament, in particular in the light of the frontloading of EIB external lending activities in 2009 and 2010 in the context of the global economic crisis. Unlike the European Parliament, the Council position at first reading foresees however an equal increase of 4% across regions and sub-regions (excluding Mediterranean countries).

The Council position at first reading also takes into account the European Parliament approach to **flexibility**, by accepting to give the governing bodies of the EIB the possibility to reallocate up to 10% (the amendment foresees 20%) of the regional ceilings within and between regions.

(**3) Technical regional operational guidelines**: the European Parliament's position required the regional operational guidelines to be adopted by means of delegated acts. Because of the technical nature of the

guidelines, the Council's first reading position **considers their adoption by delegated acts inappropriate** and maintains the Commission proposal. This allows for a drafting of the guidelines by the Commission together with the EIB as envisaged by the Commission proposal, which would not be possible if the guidelines were to be adopted by means of delegated acts.

(4) Country eligibility: the Council first reading position foresees a different approach to country eligibility: annex II lists potentially eligible regions and countries. This list of potentially eligible regions and countries is established in accordance with the ordinary legislative procedure. **A new Annex III** is introduced and lists eligible regions and countries, which shall include no countries other than those listed in Annex II. The Commission is empowered to adopt delegated acts concerning amendments to Annex III. This allows for a much faster update of the list of eligible countries in light of significant policy developments.

(5) Climate change mandate: the Council's first reading position accepts the European Parliament's approach conferring to the Council the power to **restrict the eligibility** to receive EIB financing for climate-change mitigation under the EU guarantee for countries that are deemed not to have committed to meeting appropriate climate change-related targets. However, in the Council's first reading position, this should be done on a proposal from the Commission.

(6) Reporting: the Council's first reading position follows the European Parliament approach calling for additional reporting requirements.