

# EU guarantee to the European Investment Bank (EIB) against losses under financing operations supporting investment projects outside the Union (2014-2020)

2013/0152(COD) - 16/04/2014 - Final act

**PURPOSE:** to approve the renewal of an EU guarantee to the European Investment Bank for the period 2014 to 2020.

**LEGISLATIVE ACT:** Decision No 466/2014/EU of the European Parliament and of the Council granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union.

**CONTENT:** the Decision renews the EU budget guarantee for EIB lending to projects that support the EU's external policy objectives. The EU guarantee is restricted to 65 % of the aggregate amount disbursed and guaranteed under EIB financing operations, less amounts reimbursed, plus all related amounts.

**Ceilings:** the maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-20 shall not exceed **EUR 30 000 000 000**, broken down into: (a) **a fixed ceiling** of a maximum amount of EUR 27 000 000 000; (b) **an optional additional amount** of EUR 3 000 000 000 to be (wholly or partially) activated by the Parliament and the Council following a mid-term review in 2016.

Regional distribution of the EUR 27 billion fixed ceiling is set as follows:

**Pre-accession countries:** EUR 8 739 322 000;

**Neighbourhood and Partnership countries:** EUR 14 437 225 000, broken down into the following indicative sub-ceilings:

- **Mediterranean countries:** EUR 9 606 200 000;
- **Eastern Europe, Southern Caucasus and Russia:** EUR 4 831 025 000.

**Asia and Latin America:** EUR 3 407 295 000, broken down into the following indicative sub-ceilings:

- **Latin America:** EUR 2 288 870 000;
- **Asia:** EUR 936 356 000;
- **Central Asia:** EUR 182 069 000;

**South Africa:** EUR 416 158 000.

Within the overall fixed ceiling, the EIB governing bodies may decide, after consulting the Commission, to reallocate **up to 20 %** of the sub-regional ceilings within regions and **up to 10 %** of the regional ceilings between regions.

**Eligible countries:** the Decision establishes a list of **countries that are potentially eligible** (Annex II) and those that are **actually eligible** (Annex III) for EIB financing under the EU guarantee. Bhutan is added to the list of actually eligible countries and Myanmar is added to both lists.

**For countries not listed in Annex II,** eligibility for EIB financing under the EU guarantee shall be decided on a case-by-case basis in accordance with the ordinary legislative procedure.

**With regard to amendments to Annex III,** the Commission's decisions must be based on an overall assessment, including economic, social, environmental and political aspects, in particular those related to the democracy, human rights and fundamental freedoms as well as the relevant European Parliament resolutions and Council decisions and conclusions.

**General objectives and principles:** the EU guarantee will be granted only for EIB financing operations which have added value on the basis of the EIB's own assessment, and support any of the following general objectives:

- **local private sector development**, in particular support to SMEs;
- development of social and economic infrastructure, including transport, energy, environmental infrastructure, and information and communication technology, including production and integration of energy from renewable sources, and energy systems transformation enabling a switch to lower carbon intensive technologies;
- **climate change mitigation and adaptation:** the volume of these operations shall represent at least 25 % of total EIB financing operations.

**General objectives** also include the following:

- effective support of **Union external policy objectives**;
- **regional integration** among countries, including in particular economic integration between Pre-accession countries, Neighbourhood countries and the Union;
- in developing countries, the indirect contribution to the objectives of the **Union development cooperation policy**, such as reducing poverty through inclusive growth and sustainable economy, environmental and social development ;
- strengthening the **local private sector** in beneficiary countries.

**Assessment and monitoring of investment projects:** the EIB shall require project promoters to carry out local public consultation with the relevant national and local stakeholders, as well as with civil society, at project planning stage and implementation stage on social, human rights, environmental, economic and development-related aspects of investment projects covered by the EU guarantee.

**Annual report and transparency:** the Commission should report annually to the European Parliament and the Council assessing EIB financing operations and their compliance with the Decision. The report should be made public.

Furthermore, the EIB shall make publicly available on its website information relating to the EIB's **allocation policy** and where possible and appropriate, existing framework agreements between the EIB and a recipient country.

ENTRY INTO FORCE: 11.05.2014.

DELEGATED ACTS: the Commission may adopt delegated acts in order to reflect significant policy developments regarding the list of countries actually eligible for EIB financing operations. The delegation of power will be conferred on the Commission for an **indeterminate period of time from 11 May 2014**. The European Parliament or the Council may raise objections with regard to a delegated act within two months of the date of notification (which may be extended by two months). If Parliament or Council raise objections, the delegated act will not enter into force.