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

2010/0101(COD) - 30/10/2014 - Follow-up document

In accordance with Decision No 1080/2011/EU, this final report from the Commission covers **the EIB financing operations signed during the period from 2007 to 30 June 2014**.

The present report also provides a summary of the own risk operations carried out by the EIB in 2013 in the regions covered by the Decision.

The Decision sets an overall General Mandate ceiling to EUR 27 484 million and an additional EUR 2 000 million Climate Change Mandate which was activated.

Key results (2007-2013): at the end of 2013, the overall amount signed under the Decision (less cancellations) stood at **EUR 27 billion, or 92% of the overall ceiling under the Mandate**. An overall amount of EUR 2.46 billion was available for new EIB operations under the Mandate. The period of the Decision was automatically extended by six months at the end of 2013 because the European Parliament and the Council had not adopted a new Decision.

EIB total signatures and disbursements under the Mandate (2007-2013) is as follows:

- Pre-Accession countries: EUR 5 648 million (63%);
- Mediterranean countries: EUR 4 145 million (49%);
- Eastern Neighbours, Russia: EUR 898 million (23%);
- Asia and Latin America: EUR 2 322 million (71%);
- South Africa: EUR 558 million (61%).

Contribution to EU policy objectives in 2013:

(1) The EIB continued to demonstrate its strong commitment to **supporting the EU's climate action agenda**. Overall, climate action signatures in the External Mandate regions as defined in the Decision amounted to EUR 2.1 billion in 2013, or 31% of total signatures.

The energy sector accounted for the largest part in terms of climate financing volume (EUR 1.3 billion) and number of projects (16), reflecting especially the strong demand for investments in energy efficiency and renewable energy. Other projects which contributed to the EIB's climate action objective were in the sustainable transport (EUR 357 million) and urban development (EUR177 million) or "natural resources" (EUR 120 million) sectors.

(2) The EIB signed a total of 46 external operations worth EUR 3.6 billion in order to help **developing social and economic infrastructure** in various sectors. This includes 9 intermediated operations where the actual sector distribution is not known in advance. As in previous years, the largest share was in the energy (18 projects) and transport (10 projects) sectors.

(3) Overall, of the 51 external operations that contributed to **local private sector development**, 36 were loans to intermediaries providing EUR 3.3 billion worth of financing for on-lending to SMEs or mid-caps.

(4) Of the 17 projects (EUR 1.1 billion) contributing to **regional integration**, 6 are direct operations in the transport sector. These are mainly cross-border roads and regional air navigation networks.

Impact and value added of EIB operations: in January 2012, the EIB launched the results measurement (**REM**) framework, which strengthens measurement and reporting on the results and impact of its operations as requested in the Decision. Projects are rated according to three "Pillars":

- **Pillar 1** rates the expected contribution to the EU and the countries' priorities and eligibility under EIB mandate objectives: more than half of the operations signed in 2013 are expected to make an excellent contribution to mandate objectives;
- **Pillar 2** rates the quality and soundness of the operation, based on the expected results: 2.9% of operations signed are expected to make an excellent rating. More than 86% of operations are expected to be "good";
- **Pillar 3** rates expected EIB financial and non-financial additionality: about 21% of operations signed in 2013 are expected to have high additionality. Another 62% are expected to make good contribution.

Cooperation and alignment on EU external action: the Decision emphasised a stronger alignment of EIB external activity and EU external policies, programmes and instruments.

In 2013, the EIB continued to cooperate closely with the Commission and the EEAS to strengthen the consistency and coherence of EIB actions with external EU policies. In this context, the Memorandum of Understanding between EC and EIB was updated and extended to EEAS and signed by the parties on 12 September 2013.