

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

2013/0152(COD) - 14/09/2016 - Follow-up document

Following the adoption of the Decision 466/2014/EU on granting an EU guarantee to the European Investment Bank (EIB) against losses under EIB financing operations for projects outside the Union over 2014-2020, the Commission has presented this report covering the year 2015.

In brief, in the new Decision (466/2014/EU), the three high level objectives for extending the EU guarantee remain unchanged:

1. promoting growth in the local private sector,
2. developing social and economic infrastructure,
3. climate action and, as an underlying objective, fostering regional integration.

The Mandate entered into force with the signing of the Guarantee agreement on 25 July 2014.

Key findings from 2015:

- In terms of number of projects, financing for 38 projects was signed in 2015 under the EU Guarantee (42 in 2013) and 16 projects under EIB own risk (23 projects signed in 2014).

- The share of activity under the EU guarantee in total volume increased in 2015 by 16% to reach EUR 4.8 billion (EUR 4.2 billion in 2014) or 72% of total 2015 financing in the regions covered by the Decision.

- The EIB signed a total of EUR 6.7 billion in the regions covered by the External Lending Mandate (ELM) which is almost equal to the signatures of the previous year (EUR 6.8 billion). Overall volumes in 2015 were mainly driven by a strong performance in the Eastern Neighbours, Russia and Asia and Latin America regions.

- In the Mediterranean countries, the amount signed reached EUR 1.4 billion. The majority of that amount was for projects focused on providing support to build social and economic infrastructure, especially energy projects (53%) and transportation (25%). A total of 12% was allocated under credit lines to banks for on-lending to SMEs.

- In the Eastern Neighbourhood, signatures totalled EUR 1.5 billion, representing the highest increase from 2014 (+26%) among all Mandate regions, even in the context of Union sanctions on Russia.

- In Asia, Central Asia and Latin America, total signatures decreased by 18% from 2014, totalling EUR 1.1 billion. Latin America accounted for 55% of the amount signed, with special focus on infrastructure and private sector financing in Brazil and Nicaragua.

- In South Africa, three loans, totalling EUR 150 million, were signed to finance private sector credit lines to banks for on-lending to SMEs.

- The EIB continued to demonstrate its commitment to supporting the Union's **climate action agenda**. EIB operations signed in the regions covered by the Decision remain well above the threshold of 25% set out in the Decision.
- The Decision emphasises a **strong alignment** of EIB external activity and the Union's external policies, programmes and instruments and it is worth noting that over the year 2015. The EIB continued to cooperate closely with the Commission and the EEAS to strengthen the consistency and coherence of EIB actions with external Union policies. The Regional Technical Operational Guidelines ("RTOGs") were updated.
- The EIB continued working with other Multilateral Development Banks on the post 2015 Development Agenda and particularly on developing a common approach to roles with respect to Financing for Development.