

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

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This Commission report gives an overview of the EIB's 2016 activities relating to the EU guarantee under the External Lending Mandate (ELM) and the main results and effects achieved.

Under the ELM, the EU provides a guarantee from the EU budget to enable the EIB to increase its lending outside the EU in support of EU policies.

The ELM supports EIB activity in the pre-accession countries, the Eastern and Southern Neighbourhood, Asia, Latin America and South Africa. Under the current ELM period (2014-2020), the EU budget guarantees up to EUR 27 billion of EIB operations.

The key findings for 2016 are as follows:

- the EIB signed a total of **EUR 6.8 billion** in the regions covered by the External Lending Mandate, a slight increase on the previous year (EUR 6.7 billion). Of this total, more than a half (58%, EUR 4 billion) was carried out under the EU's guarantee;
- approximately EUR 5.9 billion was carried out in the **pre-accession countries** (total EIB exposure in Turkey covered by the EU guarantee currently represents EUR 9.6 billion) and in the **Neighbourhood regions** (both South and East). The rest (26%) was signed in Asia, Central Asia and Latin America;
- of the total signed amount in the ELM regions in 2016, 49% (EUR 3.383 billion) will support local private sector development, principally through improving access to finance for SMEs, microenterprises and mid-cap companies. Just over half (51%, EUR 3.457 billion) will contribute to the **development of social and economic infrastructure**. Nearly a third of the total volume will contribute to the **climate action** objective (28%, EUR 1.921 billion);
- in 2016, **the EIB significantly increased its lending in the Western Balkans compared to 2015 (+92%)**, where the amount reached EUR 427 million **and in the Mediterranean countries (+12%)**, where the amount signed reached EUR 1.6 billion, in the context of the implementation of the Bank's Economic Resilience Initiative in support of those regions;
- lending in the Pre-Accession countries contributed the most to the objective of local private sector development with EUR 1.8 billion (52%) followed by the Mediterranean countries with 960 million (28%);
- the Eastern Neighbourhood is the region that contributes the most to the objective of economic and social infrastructure with 1.2 billion (34%) of the total lending to this objective.

The report also provides information on the **expected future impact of the financing operations signed in 2016** on the basis of the EIB's Results Measurement Framework ("ReM"). Around 90% of new projects are expected to achieve 'good' results in terms of quality and soundness of the operation. More than 80% of new projects are expected to be associated with either 'high' or 'significant' EIB additionality.

The report mentions the **main results expected of new projects in 2016**:

- nearly 10 000 loans to micro-enterprises, SMEs and mid-caps, helping to sustain around 544,700 jobs;
- 1.2 million passengers benefiting daily from improved urban and rail transport;
- 1.5 million people benefiting from improved sanitation services;
- 743 200 households connected to the grid;
- 469 000 people benefiting from improved waste management;
- 150 000 patients treated per year in new or rehabilitated hospitals;
- 37 000 additional students enrolled in higher education facilities.

The Commission continues to actively engage with the EIB in a number of other policy areas, including dealing with **non-cooperative tax jurisdictions**. In January 2017, the EIB presented its interim approach to its policy towards weakly regulated, non-transparent and uncooperative jurisdictions ('NCJ policy') and tax sensitive jurisdictions.