EU guarantee to the European Investment Bank (EIB) against losses under financing operations supporting investment projects outside the Union: ceilings for EIB financing operations

2016/0275(COD) - 14/03/2018 - Final act

PURPOSE: to enable the European Investment Bank (EIB) to contribute to the external investment plan (EIP) by expanding both quantitatively and qualitatively the EIB external lending mandate.

LEGISLATIVE ACT: Decision (EU) 2018/412 of the European Parliament and of the Council amending Decision No 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union.

CONTENT: this Decision amends Decision No 466/2014/EU in order to increase to **EUR 32.3 billion** the maximum ceiling of EIB financing operations under the EU guarantee through the period 2014-2020. Of this total, **EUR 3.7 billion** is earmarked for projects in the public and private sectors aimed at providing a strategic response to the **root causes of migration**.

Within the regional ceilings and over the period covered by this Decision, the EIB shall ensure a country distribution within the regions covered by the EU guarantee, balanced in line with Union external policy priorities. The ceiling for reallocation between the regions by the EIB in the course of the mandate shall be increased from **10 % to 20 %.**

Objectives and general principles: the EU guarantee shall 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 micro, small and medium-sized enterprises (SMEs);
- **development of social and economic infrastructure**, including transport, energy, environmental infrastructure, and information and communication technology;
- **climate change** mitigation and adaptation: over the period covered by this Decision, the EIB shall endeavour to sustain a high level of climate-relevant operations, the volume of which shall represent at least **25 %** of the total EIB financing operations outside the Union;
- **the long-term economic resilience of refugees**, migrants, host and transit communities, and communities of origin as a strategic response to addressing root causes of migration.

Assessment of investment projects: the EIB shall require:

- project promoters to **carry out local public consultation**, in line with Union social and environmental principles, with the relevant national and local stakeholders, as well as with civil society, at the project-planning and implementation stages on social, human rights, gender equality, environmental, economic and development-related aspects of investment projects covered by the EU guarantee;
- that the principle of **free prior informed consent** is implemented prior to financing operations affecting land and natural resources.

The EIB shall use **performance indicators** to measure development, environmental and social aspects, including human rights and gender equality, of the projects financed.

Prevention of money laundering, fight against terrorist financing, taxation and non-cooperative jurisdictions: in its financing operations, the EIB shall not support projects that contribute to money laundering, terrorist financing or tax evasion or avoidance.

In addition, the EIB shall not enter into new or renewed operations with entities incorporated or established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions.

Revision of the eligibility list of countries: the Decision amends the lists of eligible regions and countries and potentially eligible regions and countries to exclude high-income regions and countries with high credit ratings, namely Brunei, Chile, Iceland, Israel, Singapore, South Korea and Taiwan. In addition, Iran shall be added to the list of potentially eligible regions and countries.

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