

Authorising the Commission to vote in favour of the capital increase of the European Investment Fund

2020/0343(COD) - 25/11/2020 - Legislative proposal

PURPOSE: to authorise the Commission to vote in favour of the capital increase of the European Investment Fund.

PROPOSED ACT: Decision of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the EU, represented by the Commission, is a shareholder in the European Investment Fund (EIF) since the establishment of the EIF. It currently holds 29.7 % of the shares. The majority of the shares (58.9 %) are owned by the European Investment Bank. The rest (11.4 %) are owned by other financial institutions.

According to Article 5(2) of the Statutes of the European Investment Fund the authorised capital of the Fund may be increased by decision of the General Meeting acting with a majority of 85 % of the votes cast.

Considering the expected impact of the COVID-19 crisis and with a view to contributing to the Union and EIF response to the crisis through the implementation of the expected [InvestEU Programme](#) as part of the Multiannual Financial Framework for 2021-2027, the Board of Directors of the EIF decided to propose a capital increase to the General Meeting, where the Commission, representing the Union as a shareholder of the EIF, has to be in a position to vote on the increase.

The EIF has calculated an immediate need for an increase in the authorised capital by EUR 2 870 000 000, which corresponds to a cash injection of EUR 1 250 000 000.

To effectively respond to the COVID-19 crisis, the capital increase should be put in place as soon as possible.

CONTENT: the proposal aims to enable the Commission, which represents the Union at the General Assembly, to vote in favour of the proposed increase in the EIF's capital of EUR 2 870 000 000.

Additional capital would enable the EIF to play its role as a key partner in the implementation of the future InvestEU programme. It would therefore contribute to improving the Union's competitiveness, socio-economic convergence and cohesion, while supporting recovery from the economic crisis caused by the coronavirus, in particular as regards support for innovative SMEs.

In particular, the capital increase would:

- contribute, in the areas of innovation and digitisation, to the efficient use of resources in line with the circular economy objectives, to the sustainability and inclusiveness of the Union's economic growth and to the resilience and integration of the Union capital markets;

- further develop the EIF's role in the management of national and regional programmes, thereby contributing to the EU's strategic objectives of improving access to finance for SMEs, encouraging regional development and supporting the objectives of the Capital Market Union.

The proposal has no budgetary implications, as the vote at the General Meeting on the capital increase of the EIF does not oblige the Union to subscribe shares. Budgetary implications will only result from the InvestEU Regulation providing the legal basis for the participation of the EU in the capital increase.