Basic information

2008/0268(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Decision	Procedure completed
EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community Repealed by 2010/0101(COD) **Subject** 6.30.04 Loans to third-countries, Guarantee Fund 8.40.07 European Investment Bank (EIB)	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	SEPPÄNEN Esko (GUE/NGL)	20/09/2004

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2954	2009-07-07

Key events

Date	Event	Reference	Summary
14/01/2009	Legislative proposal published	COM(2008)0910	Summary
03/02/2009	Committee referral announced in Parliament, 1st reading		
24/02/2009	Vote in committee, 1st reading		Summary
26/02/2009	Committee report tabled for plenary, 1st reading	A6-0109/2009	
24/03/2009	Debate in Parliament		
25/03/2009	Decision by Parliament, 1st reading	T6-0168/2009	Summary
25/03/2009	Results of vote in Parliament		

07/07/2009	Act adopted by Council after Parliament's 1st reading		
09/07/2009	End of procedure in Parliament		
13/07/2009	Final act signed		
22/07/2009	Final act published in Official Journal		

Technical information

Procedure reference	2008/0268(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Repealed by 2010/0101(COD)
Legal basis	EC Treaty (after Amsterdam) EC 181A EC Treaty (after Amsterdam) EC 179
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/72137

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE418.371	26/01/2009	
Amendments tabled in committee		PE420.109	10/02/2009	
Committee report tabled for plenary, 1st reading/single reading		A6-0109/2009	26/02/2009	
Text adopted by Parliament, 1st reading/single reading		T6-0168/2009	25/03/2009	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	03620/2009/LEX	13/07/2009	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2008)0910	14/01/2009	Summary
Commission response to text adopted in plenary	SP(2009)3060	04/06/2009	
Follow-up document	COM(2010)0069	04/03/2010	Summary
Follow-up document	COM(2010)0074	04/03/2010	Summary

Follow-up document	SEC(2010)0186	04/03/2010	
Follow-up document	COM(2012)0036	07/02/2012	Summary
Follow-up document	SWD(2012)0003	07/02/2012	

Additional information		
Source	**Document**	**Date**
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act	
Decision 2009/0633 OJ L 190 22.07.2009, p. 0001	Summary

EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 13/07/2009 - Final act

PURPOSE: to grant a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community for the period 2007-2011.

LEGISLATIVE ACT: Decision No 633/2009/EC of the European Parliament and of the Council granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community.

CONTENT: following an agreement reached at first reading with the European Parliament, the Council adopted a decision granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community.

The EU guarantee will cover EIB financing operations signed during the period beginning on **1 February 2007 and ending on 31 October 2011**, up to a global amount of **EUR 27.8 billion**, including an optional mandate of EUR 2 billion. The Community guarantee shall be restricted to 65% of the aggregate amount of credits disbursed and guarantees provided under EIB financing operations, less amounts reimbursed, plus all related amounts.

The basic ceiling referred to in paragraph 3(a) shall be broken down into the following binding regional ceilings:

a) ***pre-accession countries***: EUR 8.7 billion;

b) **neighbourhood and partnership countries**: EUR 12.4 billion. This amount is broken down into the following indicative sub-ceilings: Mediterranean countries: EUR 8.7 billion; Eastern Europe, Southern Caucasus and Russia: EUR 3.7 billion;

c) ***Asia and Latin America***: EUR 3.8 billion. This amount is broken down into the following indicative sub-ceilings: Latin America: EUR 2.8 billion; Asia (including Central Asia): EUR 1 billion;

d) ***Republic of South Africa***: EUR 900 million.

e) ***Optional mandate***: EUR 2 billion.

The text stresses that EIB financing operations should be consistent with and support the Community's external policies including specific regional objectives and should contribute to the general objective of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the observance of international environmental agreements to which the Community is a party.

In relation to developing countries in particular, EIB financing operations should foster: sustainable economic and social development of these countries, more particularly in the most disadvantaged amongst them; their smooth and gradual integration into the world economy; the campaign against poverty; the general objective of developing and consolidating democracy and the rule of law; the general objective of respecting human rights and fundamental freedoms; as well as compliance with objectives approved by the Community in the context of the United Nations and other competent international organisations.

The Commission shall present to the European Parliament and the Council a **mid-term report** on the application of this Decision by **30 April 2010**, accompanied by a proposal for its amendment, inter alia, drawing upon an external evaluation. That proposal for a new decision should address, amongst other things, the issue of greater scrutiny by the European Parliament and the Council of all budgetary and political decisions to be taken by the EIB and the Commission in the framework of that new decision, the issue of transparency of the whole financing mechanism, and the issue of the limitation of Community guarantee compared to disbursed appropriations.

It shall present a final report on the application of this Decision by 31 July 2013.

ENTRY INTO FORCE: 25/07/2009.

EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 04/03/2010 - Follow-up document

As required under Decision 633/2009/EC, this report from the Commission reviews EIB financing operations carried out in 2008 (“operations under mandate”) as well as the contribution of EIB financing operations to the fulfilment of the external policy objectives of the Community, taking into account the operational objectives of the EIB. Outside the Union, the Bank also lends from its own resources and at own risk under the framework of Article 16 of its Statute. The report provides a summary of these operations, in order to complete the picture of EIB activity in the regions covered by the Decision. Moreover, it reports on cooperation between EIB and the

Commission, and between EIB and other International Financial Institutions (IFIs) and bilateral donors. The Commission notes that a substantive mid-term review of the EIB external mandate will be carried out by 2010.

Overview of EIB financing volume in the regions covered by the Decision: total EIB lending signatures in the regions covered by the Decision – including both operations under mandate and EIB own risk operations – remained stable at around **EUR 5.5 bn in 2007 and 2008**. An increase of 9% under the mandate was offset by a corresponding decrease of own risk operations.

As regards **operations under mandate**, 2008 was the first full year of implementation of the current external mandate as the first loans under the Decision were signed in the second half of 2007, following the signature of the guarantee agreement between the Commission and EIB in August 2007. EIB lending under the Decision reached **EUR 4 bn in 2008**, with cumulative signatures under the Decision attaining EUR 5.9 billion. However, particularly in Eastern Europe and Russia, planned investment projects suffered from the consequences of the financial and economic crises. Moreover, the conflict with Russia in Georgia and the political/economic instability in Ukraine prevented certain projects from being pursued. The Commission and EIB are currently assessing the reasons for the slow progress of implementation in this region, including possible constraints and limitations inherent to the mandate itself. In 2008, 64% of the loans signed under mandate were covered by a Comprehensive Guarantee, while 36% benefited from Political Risk Guarantee cover. In terms of volume, Pre-Accession countries (EUR 915m) were the most significant beneficiary region of the Political Risk Guarantee.

EIB lending at its own risk in the regions covered by the Decision amounted to **EUR 1.5 bn in 2008**, compared to EUR 1.9 bn in 2007. This represented 27% of EIB’s overall financing activities – mandate and EIB own risk facilities combined - in these regions. Own risk operations in the Pre-Accession countries, for which the Decision specifically encourages EIB to increase its operations without recourse to the Community Guarantee, increased by 23%.

98% of operations at EIB’s own risk were carried out under the EIB Pre-Accession Facility. Turkey was by far the largest recipient with 82% of lending under this facility, while 12% were signed in Croatia and 6% in Serbia. The focus of EIB activity was on private sector operations, with credit lines (notably for SMEs) representing 64% of total signatures. In the Mediterranean region, two own risk loans totalling EUR 33 mn were signed in favour of private pharmaceutical research projects in Israel under the Risk Sharing Finance Facility, a joint Commission-EIB initiative.

Contribution to EU policy objectives: support for **energy security and the protection of the environment** are common objectives throughout the regions covered by the Decision. EIB investments promoted diversity with regard to energy suppliers and energy transportation routes. In this context, the extension of Trans-European Energy Networks to third countries is a clear priority as well as the rehabilitation of existing and development of new infrastructure and networks in producer and transit countries. More generally, for all the projects it finances, EIB pays special attention to the issue of environmental sustainability, focusing on the environmental impact assessment of the investments proposed and the adequacy of mitigation measures. Overall, the commitment of EIB to good practice based on EU principles has been strengthened, especially in the field of climate change, social standards have been more explicitly linked to human rights, the common approach of EIB across all regions of activity has been highlighted, and generally the requirements of EIB have been clarified.

Sectoral breakdown: constituting 34% of total financing under the mandate, **the energy sector** was the largest recipient of EIB loans in 2008. Transport, including rail, road, port and urban transport infrastructure, represented 29% of total lending under the mandate in 2008. The majority (71%) of the loans in **transport sector** was granted in Turkey, for the financing of large urban public transport projects. **Urban infrastructure** was the third largest sector and benefited from EUR 500 mn EIB financing in 2008 (corresponding to 12% of total lending).

The report details the **EIB's cooperation with the Commission**, noting particularly that the Commission and EIB are actively cooperating in instruments where EIB financing is blended with EU budgetary resources, notably through the Instrument for Pre- Accession Assistance (IPA) and the European Neighbourhood and

Lastly, the report discusses the **EIB's cooperation with international financing institutions** (IFIs) It notes that internal reflection has started in the EIB on how to promote the implementation of "mutual reliance" among IFIs cofinancing the same project, in order to maximize synergies and efficiency for the benefit of borrowers.

EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 04/03/2010 - Follow-up document

The Commission presents a report on the borrowing and lending activities of the EU in 2008. The Council decisions establishing the various lending instruments of the EU require the Commission to report each year on the use of these instruments. The report describes the lending operations for each of the areas concerned. It gives a brief presentation of lending and borrowing activities under the balance-of-payment support to non-euro area Member States (BOP), and the macrofinancial assistance provided by the EC to third countries (MFA), as well as guarantees associated with Community loans. In addition, it provides information on Euratom lending and borrowing activities.

To complete the picture of lending activities, the respective Council decisions for EIB

lending activities outside the Community require the Commission to report on an annual basis on the situation regarding European Investment Bank (EIB) financing operations (loans and loan guarantees) guaranteed by the Union budget in pre-accession countries, the Mediterranean, Eastern Europe, the Southern Caucasus and Russia, Asia and Latin America and the Republic of South Africa.

EU lending activities: financial operations administered by the Commission under various Council decisions generally take the form of bilateral loans i.e macro-financial support to non-member States (MFA) or balance-of-payments support to non-euro area Member States (BOP)), where the Community helps to re-establish a country's macro-economic balance. The Euratom lending instrument is available for financing operations in Member States and certain non-member States (Armenia, Russia and Ukraine). The total amount of loan disbursements for MAF, Euratom to non-member States, BOP loans to non-euro Member States in 2008 was **EUR 2.016 billion**.

BOP: the activation of the BOP to non-euro area Member States was the major event of the year 2008 in the lending (and borrowing) operations of the EC. The increased number of eligible Member States following enlargement and the intensity of the international financial crisis called for the BOP facility to be activated and extended in December 2008 **from EUR 12 billion to EUR 25 billion**, and this was increased to EUR **50 billion in May 2009.**

On 4 November 2008 the Council decided to provide medium-term financial assistance to **Hungary of up to EUR 6.5 billion** under the BOP facility for non-euro Member States. The EU financial assistance was provided to restore investor confidence at a time when Hungary was seriously threatened by difficulties in its balance of current payments as a result of heightened financial market volatility and uncertainty as well as a severely disrupted funding environment for most of the last quarter of 2008. BOP is expected to represent a substantial part of future EU lending activity in terms of volume. In 2009, the Council decided to support two additional countries under the BOP facility:

- EUR 3.1 billion for Latvia (Council Decision 2009/290/EC), and
- EUR 5 billion for Romania (Council Decision 2009/459/EC).

MFA facility: the key MFA activities in 2008 focused on the following:

- the terms of the assistance to Lebanon (Memorandum of Understanding and Loan Agreement signed in December 2008.) The MFA programme with Lebanon consists of a grant of EUR 30 million and a loan of EUR 50 million, both to be disbursed in two instalments;
- the regularisation of the split between Serbia and Montenegro of the MFA loans granted in favour of former Yugoslavia. In 2008, the Council adopted Decision 2008/784/EC establishing a separate liability of Montenegro and reducing proportionately the liability of Serbia with regard to the loans granted by the Community pursuant to Decisions 2001/549/EC and 2002/882/EC;
- the Commission completed the implementation of the macro-financial assistance programme totalling EUR 45 million for Moldova. The second and third instalments of the grant (EUR 10 million and EUR 15 million respectively) were released in June and December 2008;
- the Commission released the first grant instalment of EUR 15 million under the programme of macro-financial assistance to Lebanon approved in 2007;
- there were no loan disbursements under MFA in 2008.

MFA focuses on neighbouring regions, such as the Western Balkans and the Caucasus. The impact of the prevailing economic and financial crisis has been particularly severe in those regions. Several pre-accession and neighbouring countries have approached the Commission with requests for MFA, and the Community faced intense activity in 2009 to meet the demands under this facility. It is difficult to predict for how long such a high demand will persist, but in any case it will be linked to an overall return to normality in the more economically developed countries.

Euratom facility: Euratom activities in 2008 focused on the second disbursement (USD 22 million) under the K2R4 project (loan for a total amount in EUR equivalent to USD 83 million for the safety upgrade of the nuclear power units Khmelnitsky Unit 2 and Rovno Unit 4 (K2R4) in Ukraine. A first tranche of EUR 39 million was disbursed in 2007 and, in 2008, a second tranche of USD 22 million (EUR 15.2 million equivalent) was disbursed, following the corresponding borrowing operation. In 2009 lending and borrowing activity was to include the disbursement of the third (and last) tranche under the loan agreement for the K2R4 project (USD 10.3 million).

Borrowing activities of the EU: the report recalls that there is a strict 'back-to-back' link between a borrowing operation and the related lending operation, which ensures that the EU budget is free of any interest rate or foreign exchange risk. It notes that the issuance of a 3 year bond for the loan to Hungary described above brought the EC as issuer back to the euro benchmark bond market. The bond was very well received. As investor interest was very strong, the bond was quickly oversubscribed. The bond price was close to the best in its reference group. The secondary market performance was very satisfactory and confirmed the EC's strong standing as a first class benchmark bond issuer. This standing was reinforced with subsequent benchmark bonds issued throughout 2009, building on the foundations laid with the 2008 benchmark issuance.

An amount of USD 22 million was raised for Euratom in 2008.

EIB lending activities: the total volume of EIB operations signed increased by 20 % to EUR 57.6 billion in 2008, of which an amount of EUR 51.5 billion was signed with Member States and EUR 6.1 billion with partner countries.

EIB borrowing activities: under the 2008 funding programme the EIB raised an amount of EUR 59.5 billion. This represents a significant increase over 2007 (EUR 54.7 billion i.e. +9 %). This increase was realised in 2008 in a difficult funding environment, characterised by volatility, market uncertainty, and from mid-October, a severely disrupted funding environment. Therefore, reliance on larger, liquid transactions and low levels of demand for structured issues continued.

EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 25/03/2009 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 582 votes to 9, with 25 abstentions, a legislative resolution amending, under the first reading of the codecision procedure, the proposal for a decision of the European Parliament and of the Council granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community.

The amendments were the result of a compromise negotiated with the Council. The main amendments were as follows:

- the Community guarantee established by the Decision should cover EIB Financing Operations signed during a period beginning on 1 February 2007 and ending on 31 October 2011(rather than 31 December 2013 as the Commission had proposed);
- the Commission's mid-term report on the application of the Decision should be presented by 30 April 2010.

A number of recitals clarify Parliament's views about the content and legal base of the new decision. They recall that he Court of Justice ordered in Case C-155/07 (Parliament v Council), that the effects of Decision 2006/1016/EC be maintained for EIB financing arrangements entered into before the entry into force, within a period of 12 months from the date of delivery of the judgment, of a new decision adopted on the appropriate legal basis, namely Articles 179 EC and 181a EC together. This judgment implies that the codecision procedure will now apply for the activation of the optional mandate, the eligibility of countries listed in Annex I, and the suspension of new EIB financing in a specific country in the event of serious concerns over the political or economic situation. A new Decision of the European Parliament and of the Council should therefore be adopted in order to provide for a continuous unchanged guarantee of the relevant EIB Financing Operations outside the Community. Nevertheless, the swift adoption of this Decision should be achieved whilst ensuring that the European Parliament's prerogatives are fully respected. For that reason, the Commission should present, before 30 April 2010, a proposal for a new decision taking into consideration the conclusions of the mid-term review.

The proposal for a new decision should address, amongst other things, the issue of greater scrutiny by the European Parliament and the Council of all budgetary and political decisions to be taken by the EIB and the Commission in the framework of that new decision, the issue of transparency of the whole financing mechanism, and the issue of the limitation of Community guarantee compared to disbursed appropriations.

The compromise underlined that EIB Financing Operations should be consistent with and support the Community's external policies including specific regional objectives and should contribute to the general objective of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the observance of international environmental agreements to which the Community is a party.

Lastly, in relation to developing countries in particular, EIB Financing Operations shall foster: sustainable economic and social development of these countries, more particularly in the most disadvantaged amongst them; their smooth and gradual integration into the world economy; the campaign against poverty; the general objective of developing and consolidating democracy and the rule of law; the general objective of respecting human rights and fundamental freedoms; as well as compliance with objectives approved by the Community in the context of the United Nations and other competent international organisations.

EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 14/01/2009 - Legislative proposal

PURPOSE: proposal granting a Community guarantee to the European Investment Bank against losses under loans and loan guarantees for projects outside the Community for the period 2007-2013.

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

BACKGROUND: the EIB's activities outside the EU have traditionally made up around 10-15% of its total activities (EUR 6.4 billion in 2007, of which EUR 3.7 billion under Community guarantee). EIB's operations in third countries represent a crucial complement to limited EU budget funds to increase the effectiveness and the visibility of the EU's external action. Considering that the EIB was originally set up and structured financially to operate within the EU, the mandates under Community guarantee cover represent the key tools which allow the EIB to carry out operations outside the EU, by providing the necessary political and financial backing by the Community for countries and projects which would not normally fit within the EIB's standard guidelines and criteria. The proposed Decision would continue the provision of a Community guarantee to EIB external lending in the place of but completely in line with the annulled Council Decision 2006/1016/EC and Council Decision 2008/847/EC.

IMPACT ASSESSMENT: an alternative option examined in the framework of the proposal leading to the adoption of the annulled Decision 2006/1016 /EC was not to provide a Community guarantee. However, this would have led to a withdrawal of the EIB from a number of countries and a significant increase in funding costs for projects located in other countries. This was deemed not to be politically desirable considering the need to have balanced EU intervention across the various countries in the different regions.

CONTENT: the Community guarantee will cover EIB Financing Operations up to a global amount of EUR 27 800 million, including an optional mandate EUR 2 000 million, over the period 2007-2013. The guarantee shall be restricted to 65% of the aggregate amounts of credits disbursed and guarantees provided under EIB Financing Operations, less amounts reimbursed, plus all related sums. The overall ceiling shall be broken down by region with the following binding regional ceilings:

a) Pre-accession countries: EUR 8 700 million;

b) Neighbourhood and Partnership countries: EUR 12 400 million. This is broken down into two indicative sub-ceilings, i.e. Mediterranean: EUR 8 700 million, and Eastern Europe, Southern Caucasus and Russia: EUR 3 700 million;

c) Asia and Latin America: EUR 3 800 million, broken down into two indicative sub-ceilings, i.e. Latin America: EUR 2 800 million and Asia (including Central Asia): EUR 1 000 million;

d) Republic of South Africa: EUR 900 million;

e) Optional Mandate: EUR 2 000 million. The activation in whole or in part of this optional amount and its regional distribution will be decided by the European Parliament and the Council in accordance with the co decision procedure.

A mid-term review of the mandate will be carried out in 2010, which will allow, where necessary, for a refocusing of the priorities and for a possible release of the optional mandate.

FINANCIAL IMPLICATIONS: these implications stem from the need to set aside provisions for the Community guarantee in the Guarantee Fund for External Action over the period of the Financial Framework 2007-2013.The total indicative financial cost of intervention including the cost of human resources, amounts to EUR 1229.3 millions EUR in payment appropriations for the whole period.

EIB loans: Community guarantee to the EIB against losses under loans and loan guarantees for projects outside the Community

2008/0268(COD) - 07/02/2012 - Follow-up document

In accordance with Decision 633/2009/EC, the Commission presents its report on EIB financing operations carried out under guarantee, based on yearly reports provided by EIB.

It recalls that outside the EU, in the regions covered by the mandate, the Bank provides loans and loan guarantees with the cover of the EU guarantee ("operations under mandate") or at its own risk under the framework of Article 16 of its Statute ("own risk operations"). This report reviews 2010 EIB financing operations under mandate and provides a summary of the own risk operations. In contrast, the EIB operations in Africa, Caribbean and Pacific (ACP) as well as in Overseas Countries and Territories (OCT) are covered in a separate annual report.

The report reveals two major developments in 2010: the **need for sustained crisis-response lending** and the **expansion of climate change related operations**.

Crisis response lending: the global crisis hit the Pre-Accession countries and the Eastern Neighbours and Russia the hardest with a real economic contraction in 2009 of 4.5% and 8.0% respectively. In Pre-Accession countries, the EIB confirmed its key role contributing to more than half a percentage point of aggregate GDP and helping counter the region’s credit squeeze. Accordingly, SME lending in this region was doubled in 2009. With crisis recovery, this stimulus has been completely withdrawn and lending to this region is back at pre-crisis level. Addressing the economic crisis was done inter alia in cooperation with other IFIs under a Joint Action Plan in support of lending to the banking sector and the real economy in Central and Eastern Europe. While credit growth to the private sector has fully rebounded in the Pre- Accession countries and ALA, it remains still below pre-crisis levels in Mediterranean region as well as in the Eastern Neighbourhood and South Africa. Hence, there remained an important additional countercyclical role for the EIB to play in these regions.

Significant expansion of the EIB’s activities to fight climate change: mainly using EIB’s own risk facilities. In total, the EIB invested 1.6 billion in sustainable energy and transport projects, of which more than three quarters in the Asia and Latin America and Eastern Neighbourhood regions, i.e. the less energy efficient regions covered by the mandate. This boost, combined with an increase of energy investments in the Mediterranean region to support European energy security, fully offset the withdrawal of countercyclical investments made in 2009.

In this framework, cooperation between the Commission and the EIB has further intensified over 2010, particularly in the context of the Mid-Term Review of the mandate, as well as in various loan-grant blending mechanisms.

The mid-term review of EIB mandate carried out in the course of 2010 showed that, while EIB operations were generally in line with EU external policies, **the link between EU policy objectives and their operational implementation by the EIB** should be strengthened and made more explicit and structured. This is reflected in the new Decision 1080/2011/EU which provides for the development of regional technical operational guidelines by the Commission and the EIB in order to strengthen the link between the implementation of EIB activities, the general high- level objectives set under the mandate and the EU regional strategies and priorities.

In the course of 2011, **several key initiatives were launched at EU level**, in particular as a follow-up to the Arab spring, such as the increase of the EIB lending capacity with the EU guarantee for the Mediterranean region, the G8 Deauville Partnership Initiative and the set-up of an EU Task Force for the Southern Mediterranean. Next year's report will review the EIB contribution to these initiatives.

Overview of EIB financing volume in the regions covered by the Decision

- **Total EIB financing volume in the regions outside the EU** – including both operations under mandate and EIB own risk operations – remained stable at about EUR 8.8bn in 2009 and 2010, some 40% above the pre-crisis level of the earlier years (respectively EUR 6.5bn and 6.1bn in 2007 and 2008). Total volume for the regions covered by the EIB external mandate, which do not include ACP/OCT and EFTA countries, amounted to EUR 7.8bn in 2010 as in 2009, compared to EUR 5.6 billion in 2008. With respect to 2009, an increase of EUR 1.2 billion (by 67%) under EIB own risk facilities was offset by a corresponding decrease in lending volume under the mandate. In terms of number of projects, 46 projects were financed under the mandate in 2010 compared to 55 in 2009.

- At the end of 2010, the overall amount signed under the mandate stood at EUR 16.8 billion, or 65% of the overall ceiling under Decision 633 /2009/EC (EUR 25.8bn). The European Parliament and the Council have decided to release additional EUR 2bn for a horizontal climate change mandate and to increase the regional ceilings under the new Decision, in order not to constrain EIB lending activity during the last years of the mandate, notably in Mediterranean and Pre-Accession countries. As a result, under the new Decision, the overall ceiling of the mandate will amount to EUR 29.5bn. The amount signed by the EIB until the end of 2010 represents 57% of the new overall ceiling.

Cooperation with international financing institutions: in 2010 co-financing with other IFIs or European bilateral institutions represented 43% of EIB total financing volume outside the EU (including ACP). Under the mandate, the co-financed volume represented 64% of total signatures (including EU budget funded FEMIP risk capital). This proportion of co-financed operations has steadily increased since the beginning of the mandate period, namely from 42% in 2007, to 55% in 2008 and 60% in 2009. The list of co-financed operations signed in the regions covered by the external mandate in 2010 is included in the SWD.

The mid-term review of the external mandate assessed positively EIB cooperation with other IFIs, acknowledging the increase in co-financing and efforts to ensure, where appropriate, coherent project and sector conditionality among IFIs. The EIB was **encouraged to pursue joint co-financing with increased mutual reliance** when it makes sense in the interest of project beneficiaries and when it improves the efficiency of the financing support given by the IFIs.