

## Basic information

**2016/0275(COD)**

COD - Ordinary legislative procedure (ex-codecision procedure)  
Decision

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

Amending Decision No 466/2014/EU [2013/0152\(COD\)](#)

### Subject

6.30.04 Loans to third-countries, Guarantee Fund  
8.40.07 European Investment Bank (EIB)  
8.70 Budget of the Union

Procedure completed

## Key players

| European Parliament                                    | Committee responsible   | Rapporteur                        | Appointed  |
|--|---|-----------------------------------|------------|
|  | <b>BUDG</b> Budgets   | GARDIAZABAL RUBIAL<br>Eider (S&D) | 10/10/2016 |
|  | Shadow rapporteur<br>MUREȘAN Siegfried (PPE)<br>DEPREZ Gérard (ALDE)<br>BENITO ZILUAGA Xabier (GUE/NGL)<br>HAUTALA Heidi (Verts/ALE)<br>ZANNI Marco (ENF) |                                   |            |
| Committee for opinion                                  |   | Rapporteur for opinion            | Appointed  |
| <b>AFET</b> Foreign Affairs                            | KUKAN Eduard (PPE)  | 02/12/2016                        |            |
| <b>DEVE</b> Development<br>(Associated committee)      | DEVA Nirj (ECR)   | 16/12/2016                        |            |
| <b>INTA</b> International Trade                        | CICU Salvatore (PPE)  | 12/10/2016                        |            |
| <b>ECON</b> Economic and Monetary Affairs              | The committee decided not to give an opinion.   |                                   |            |
| <b>ENVI</b> Environment, Public Health and Food Safety | PATRICIELLO Aldo (PPE)  | 13/10/2016                        |            |

|                               |                                |                     |             |
|-------------------------------|--------------------------------|---------------------|-------------|
| Council of the European Union | <b>Council configuration</b>   | <b>Meetings</b>     | <b>Date</b> |
|                               | General Affairs                | 3599                | 2018-02-27  |
| European Commission           | <b>Commission DG</b>           | <b>Commissioner</b> |             |
|                               | Economic and Financial Affairs | MOSCOVICI Pierre    |             |

| Key events |   |  |         |
|------------|---|--|---------|
| Date       | Event   | Reference  | Summary |
| 14/09/2016 | Legislative proposal published  | COM(2016)0583<br> | Summary |
| 06/10/2016 | Committee referral announced in Parliament, 1st reading   |  |         |
| 27/03/2017 | Vote in committee, 1st reading  |  |         |
| 27/03/2017 | Committee decision to open interinstitutional negotiations with report adopted in committee     |  |         |
| 31/03/2017 | Committee report tabled for plenary, 1st reading  | A8-0135/2017   | Summary |
| 03/04/2017 | Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71) |  |         |
| 05/04/2017 | Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71) |  |         |
| 06/04/2017 | Referral to associated committees announced in Parliament                                       |  |         |
| 04/12/2017 | Approval in committee of the text agreed at 1st reading interinstitutional negotiations         | GEDA/A/(2017)011231  |         |
| 07/02/2018 | Debate in Parliament  |                 |         |
| 08/02/2018 | Decision by Parliament, 1st reading   | T8-0038/2018   | Summary |
| 08/02/2018 | Results of vote in Parliament   |                 |         |
| 27/02/2018 | Act adopted by Council after Parliament's 1st reading   |  |         |
| 14/03/2018 | Final act signed  |  |         |
| 14/03/2018 | End of procedure in Parliament  |  |         |
| 19/03/2018 | Final act published in Official Journal   |  |         |

| Technical information         |  |
|-------------------------------|--|
| <b>Procedure reference</b>    | 2016/0275(COD)   |
| <b>Procedure type</b>         | COD - Ordinary legislative procedure (ex-codecision procedure) |
| <b>Procedure subtype</b>      | Legislation  |
| <b>Legislative instrument</b> | Decision   |

|                                   |   |
|-----------------------------------|---|
| <b>Amendments and repeals</b>     | Amending Decision No 466/2014/EU <a href="#">2013/0152(COD)</a> |
| <b>Other legal basis</b>          | Rules of Procedure EP 165                                       |
| <b>Stage reached in procedure</b> | Procedure completed   |
| <b>Committee dossier</b>          | BUDG/8/07896  |

| <a href="#">Documentation gateway</a>                           |   |                                     |            |                         |
|---|---|-------------------------------------|------------|-------------------------|
| <b>European Parliament</b>                                      |   |                                     |            |                         |
| Document type   | Committee   | Reference                           | Date       | Summary                 |
| Committee draft report  |   | <a href="#">PE599.628</a>           | 08/02/2017 |                         |
| Committee opinion   | <a href="#">INTA</a>  | <a href="#">PE595.736</a>           | 01/03/2017 |                         |
| Amendments tabled in committee                                  |   | <a href="#">PE601.022</a>           | 06/03/2017 |                         |
| Committee opinion   | <a href="#">ENVI</a>  | <a href="#">PE597.737</a>           | 21/03/2017 |                         |
| Committee opinion   | <a href="#">AFET</a>  | <a href="#">PE595.732</a>           | 22/03/2017 |                         |
| Committee report tabled for plenary, 1st reading/single reading |   | <a href="#">A8-0135/2017</a>        | 31/03/2017 | <a href="#">Summary</a> |
| Committee opinion   | <a href="#">DEVE</a>  | <a href="#">PE599.683</a>           | 31/03/2017 |                         |
| Text adopted by Parliament, 1st reading/single reading          |   | <a href="#">T8-0038/2018</a>        | 08/02/2018 | <a href="#">Summary</a> |
| <b>Council of the EU</b>  |   |                                     |            |                         |
| Document type   |   | Reference                           | Date       | Summary                 |
| Coreper letter confirming interinstitutional agreement          |   | <a href="#">GEDA/A/(2017)011231</a> | 01/12/2017 |                         |
| Draft final act   |   | <a href="#">00065/2017/LEX</a>      | 14/03/2018 |                         |
| <b>European Commission</b>                                      |   |                                     |            |                         |
| Document type   |   | Reference                           | Date       | Summary                 |
| Legislative proposal  |  | <a href="#">COM(2016)0583</a>       | 14/09/2016 | <a href="#">Summary</a> |
| Commission document (COM)                                       |  | <a href="#">COM(2016)0603</a>       | 14/09/2016 |                         |
| Commission working document (SWD)                               |  | <a href="#">SWD(2016)0299</a>       | 14/09/2016 |                         |
| Commission response to text adopted in plenary                  |   | <a href="#">SP(2018)178</a>         | 24/04/2018 |                         |

| <a href="#">Additional information</a> |                         |      |
|--|-------------------------|------|
| Source                                 | Document                | Date |
| European Commission                    | <a href="#">EUR-Lex</a> |      |

## Final act

Decision 2018/0412  
OJ L 076 19.03.2018, p. 0030

[Summary](#)

# 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) - 08/02/2018 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 487 votes to 96, with 42 abstentions, on the proposal for a decision 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.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

**Objectives and general principles:** two new objectives shall be covered by the EU guarantee:

- **projects addressing root causes of migration and contributing to the long-term economic resilience of refugees, migrants, host and transit communities.** A maximum of EUR 1.4 billion (out of EUR 30 billion under a general mandate) and a maximum of EUR 2.3 billion under a **private sector lending mandate**.

EIB financing operations shall also seek to:

support **small investment projects run by MSMEs**, further facilitating the internationalisation of MSMEs, especially in remote rural areas and in particular in the field of drinking water treatment, wastewater disposal and renewable energy;

- contribute to on the objectives of the Union development cooperation policy, in particular towards **reducing poverty** through inclusive growth and sustainable economic, environmental and social development;
- support **investment projects** predominantly in the areas of transport, energy, environmental infrastructure, information and communication technology, health and education;
- maintain a high level of climate-related operations, accounting for at least 25% of all EIB financing operations outside the Union; the EIB shall strengthen the climate change adaptation dimension of its contribution to projects in all EIB financing operations under the external lending mandate;
- ensure full respect for human, labour and social rights, fundamental freedoms and gender mainstreaming;
- support the public sector, including municipalities and public sector entities, in terms of infrastructure and services, and particularly for health care and with special facilities for **children**, for sanitation services and school education, to address significantly increased needs.

Within the regional ceilings, the EIB shall ensure an **adequate country distribution** within the regions covered by the EU guarantee, in line with Union external policy priorities.

**Coverage and conditions of application of the EU guarantee:** financing agreements with individual promoters relating to EIB financing operations shall also include appropriate procurement, **environmental, climate and social provisions** in accordance with the EIB's own rules and procedures, including requirements to make the EU guarantee and EIB involvement **visible** to the end beneficiary.

**EIB assessment and monitoring 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 project planning stage and implementation stage on social, human rights, gender equality, environmental, economic and development-related aspects of investment projects;
- ensure that the principle of **free prior informed consent** is implemented, prior to financing operations affecting land and natural resources.

The EIB shall **performance indicators** in relation to development, environmental and social aspects, including human right and gender equality aspects, of projects funded.

**Prevention of money laundering, fight against the financing of terrorism, taxation and non-cooperative countries and territories:** in its financing operations, the EIB shall not support any project that contributes to money laundering, terrorist financing, tax fraud and tax evasion.

The EIB shall not maintain business relations with entities incorporated or established in jurisdictions that do not cooperate with the Union in relation to the application of the internationally agreed tax standards on transparency and exchange of information.

The EIB shall provide introduction of country-by-country reporting, public registers of beneficial ownership and a blacklist of non-compliant tax jurisdictions.

## 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.

ENTRY INTO FORCE: 8.4.2018.

## 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) - 14/09/2016 - Legislative proposal

**PURPOSE:** to amend Decision No 466/2014/EU in order 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.

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 Council.

BACKGROUND: the international community faces an unprecedented refugee crisis which requires solidarity, efficient mobilisation of financial resources and the need to confront and surmount the existing challenges in a concerted manner. The proposal forms part of the **external investment plan** ("EIP") announced in the [Commission communication](#) of 7 June 2016 on establishing a new partnership framework with third countries under the European agenda on migration. On 28 June 2016, the European Council endorsed the EIP initiative, which aims to **address root causes of migration**, while contributing to the achievement of sustainable development goals.

Based on EIB's forecasts for lending in the region for the entire period of the Mandate, the

Commission sees **difficulties in ensuring the continuation of EIB external financing** under the EU guarantee for the remainder of the current financial perspectives 2014-2020. Moreover, considering the risk grading of the countries concerned (e.g. in the Eastern Neighbourhood), there are limited possibilities in relying on EIB own risk facilities.

By amending [Decision No 466/2014/EU](#) of the European Parliament and of the Council, the proposal aims to enable the European Investment Bank (EIB) to contribute to the EIP by **expanding both quantitatively and qualitatively the EIB external lending mandate**. This will enable the EIB to rapidly contribute to the EIP's objectives, in particular by providing additional financing to private-sector beneficiaries.

IMPACT ASSESSMENT: in the context of the preparation of the Decision, the Commission completed an impact assessment. This proposal does not contain a separate impact assessment, the scope of the proposed amendments to the Decision being mainly limited to the extension of the guarantee and to the increase of the ceilings set out in the Decision.

CONTENT : the **main amendments** to Decision No 466/2014/EU proposed by the Commission are as follows:

- Addition of a new objective: it is proposed to add a new horizontal high-level objective addressing root causes of migration.
- **Extension of the EU Guarantee and raising the ceilings:** in order that the external lending mandate might meet the forthcoming challenges and respond to Union priorities, and in order to ensure a strategic response addressing root causes of migration, the proposal provides that the maximum ceiling for the EIB financing operations under the EU guarantee should be **increased to EUR 32.3 billion** by **releasing the optional additional amount of EUR 3 billion** in the current Decision. This ceiling consists of:
  - (a) a maximum total of EUR 30 billion, under the general mandate, out of which the amount of **EUR 1.4 billion should be earmarked for projects in the public sector directed to refugees and host communities**. That amount of EUR 1.4 billion will be distributed between the regions of Pre-accession countries and Mediterranean countries;
  - (b) **an overall amount of EUR 2.3 billion for EIB financing operations to private sector** applicable to projects in support of refugees and /or host communities. The coverage of the EU guarantee for these operations is extended to all payments due to the EIB, but not received by it ('comprehensive guarantee'), rather than only the political risk guarantee as is currently the case under the Decision. The EU Comprehensive Guarantee related to that new mandate will be priced. Revenues will be paid to the Guarantee Fund for external actions.
- **Increased flexibility for the EIB to switch amounts under the regional ceiling allocations:** the ceiling for reallocation between the regions is being **increased from 10% to 20%** where it concerns the need to address urgencies and crisis situations that might arise during the mandate period and which are recognised as high EU external policy priorities. The reallocation is not applicable for the EUR 2.3 billion related to the private sector mandate and for the EUR 1.4 billion related to public sector projects addressing root causes of migration.
- **Amendment of the list of eligible countries:** high-income and high-investment grade countries such as Brunei, Iceland, Israel, Singapore, Chile and South Korea are removed from the list of eligible countries, as well as China's Special Administrative Regions (SAR) Hong Kong and Macao. In addition, Iran is added to the list of potentially eligible regions and countries (in Annex II of the Decision).
- **Climate change:** a reference to the Paris agreement adopted under the UN Framework Convention on Climate Change is introduced. The volume of EIB operations for climate change mitigation and adaptation should contribute to stepping up the proportion of EIB lending in support of climate-related investment in developing countries **from 25% to 35% by 2020**.
- **Results measurement framework:** the EIB will develop and implement **indicators** for projects providing strategic response addressing root causes of migration. In the context of the Commission's annual reporting to the European Parliament and to the Council on EIB financing operations, an assessment of the impact of EIB financing operations of this strategic response is included.

BUDGETARY IMPLICATIONS: the guarantee fund for external actions, established by Council Regulation (EC, Euratom) No 480/2009 provides a liquidity cushion for the Union budget against losses incurred on EIB financing operations and other Union external action, i.e. macro financial assistance loans and Euratom loans. The EIB mandate represents about 90% of the portfolio covered by the Guarantee Fund.

The additional budgetary needs for the provisioning of the Guarantee Fund linked to the increase of the overall ceiling of the mandate will be financed from EU budget line 01 03 06 (provisioning of the Guarantee Fund). The provisioning will be financed within the Multiannual Financial Framework.

Over the current Multiannual Financial Framework, **the additional budgetary needs should be limited to EUR 115 million over the period 2018 – 2020** on the basis of the annual forecasts of disbursements and reimbursements of EIB loans. A part of the loans signed under the current EIB mandate will be disbursed and repaid beyond 2020.

**The EU guarantee covering the EIB financing operations under the private sector lending mandate** will be priced. The risk premium revenues originating from EIB financing operations under the private sector lending mandate will be paid to the Guarantee Fund in order to cover the commercial risk.

# 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) - 31/03/2017 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Budgets adopted the report by Eider GARDIAZABAL RUBIAL (S&D, ES) on the proposal for a decision 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.

The Committee on Development, exercising its prerogative as an associated committee in accordance with [Article 54 of the Rules of Procedure](#), also gave its opinion on the report.

The committee recommended that the European Parliament's position, adopted at first reading following the ordinary legislative procedure, should amend the Commission proposal as follows:

**Ceiling for EIB financing operations:** the maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-20 shall include:

- a **maximum amount of EUR 36 170 000 000** (instead of 30 000 000 000) under a general mandate, of which an amount of up to EUR 1 400 000 000 is earmarked for projects in the public sector directed to addressing the root causes of migration and the needs of refugees, migrants, transit and host communities;
- a maximum amount of **EUR 2 300 000 000** under a private sector lending mandate.

In the framework of regional ceilings, the EIB shall ensure an adequate country distribution within the regions covered by the EU guarantee, in line with Union external policy priorities.

**EU Guarantee:** EIB financing operations shall support the long-term economic resilience of refugees, migrants, host and transit communities as a strategic response to addressing root causes of migration including, but not limited to, poverty, inequality, demographic growth, lack of employment and economic opportunities, and climate change.

EIB financing operations shall:

- seek to strongly **support small investment projects run by micro, small and medium-sized enterprises (MSMEs)**, further facilitating the internationalisation of MSMEs, especially in remote rural areas and in particular in the field of drinking water treatment, wastewater disposal as well as renewable energy;
- 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, gradually increasing this target to at least 35 % by 2020;
- integrate concrete actions to step up efforts to support **renewable energy sources and energy efficiency**;
- strengthen, with respect to the Sustainable Development Goals (SDGs), humanitarian action and support for creation of decent jobs, while ensuring the full respect of human, labour and social rights, fundamental freedoms and gender mainstreaming;
- support the public sector, in terms of infrastructure and services, and in particular **health care and special facilities for children**, sanitation services and school education.

The EIB shall ensure that: (i) local civil society is sufficiently well informed about planned and ongoing operations; (ii) ensure that the principle of free **prior informed consent** is implemented, prior to financing operations affecting land and natural resources.

**Assessment and monitoring by the EIB of investment projects:** Members called for the results of monitoring to be disclosed. The EIB shall use performance indicators in relation to development, environmental and social aspects, including human right and gender equality aspects, of projects funded.

The European Parliament may, on the basis of the yearly reports, draw up recommendations to the EIB concerning ongoing projects.

**Non-cooperative jurisdictions:** in its financing operations, the EIB shall comply with relevant standards and applicable legislation on the prevention of money laundering, and the fight against terrorism, tax fraud and tax evasion. It shall not make use of or engage in tax avoidance structures and shall not maintain business relations with entities incorporated or established in jurisdictions that do not cooperate with the Union in relation to the application of the internationally agreed tax standards.