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*****I**

REPORT

on the proposal for a decision of the European Parliament and of the Council on granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (COM(2013)0293 – C7-0145/2013 – 2013/0152(COD))

Committee on Budgets

Rapporteur: Ivailo Kalfin

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council on granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (COM(2013)0293 – C7-0145/2013 – 2013/0152(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2013)0293),
 - having regard to Article 294(2) and Articles 209 and 212 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0145/2013),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade and the Committee on Economic and Monetary Affairs (A7-0392/2013),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 2. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1
Proposal for a decision
Recital 1

Text proposed by the Commission

(1) In addition to its core mission of financing investment in the Union, the European Investment Bank (EIB) undertakes financing operations outside the Union *in* support *of* the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to the general principles and policy objectives of the Union.

Amendment

(1) In addition to its core mission of financing investment in the Union, ***which remains its priority and main objective,*** the European Investment Bank (EIB) undertakes financing operations outside the Union ***to*** support ***and complement*** the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to the general principles ***of the Union, in particular those defined in Article 21 of the Treaty on European Union (TEU), most importantly democracy, the universality and indivisibility of human rights,*** and to policy objectives of the Union, ***including fostering the sustainable economic, social and environmental development of developing countries, eradicating poverty, and the prosperity of the Union in the changing global economic circumstances. The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound banking practices.***

Amendment 2
Proposal for a decision
Recital 3

Text proposed by the Commission

(3) With a view to supporting Union

Amendment

(3) With a view to supporting Union

external action, and in order to enable the EIB to finance investments outside the Union without affecting the credit standing of the EIB, the majority of its operations outside the Union have benefited from an EU budgetary guarantee ('EU guarantee') administered by the Commission.

external action, and in order to enable the EIB to finance investments outside the Union without affecting the credit standing of the EIB, the majority of its operations outside the Union have benefited from an EU budgetary guarantee ('EU guarantee') administered by the Commission. ***It is of high importance that the EIB maintains its AAA rating.***

Amendment 3
Proposal for a decision
Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The Guarantee Fund for external actions ("Guarantee Fund"), established by Council Regulation (EC, Euratom) No 480/2009^{4a}, provides a liquidity cushion for the Union budget against losses incurred on EIB financing operations and other Union external action.

^{4a} ***Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions (OJ L 145, 10.6.2009, p. 10).***

Amendment 4
Proposal for a decision
Recital 6 a (new)

Text proposed by the Commission

Amendment

(6a) Bhutan should be added to Annex III following the recent developments which allowed the Union to open a new chapter in its relations with Bhutan and in order to support the on-going political and

economic reforms in the country.

Amendment 5

Proposal for a decision Recital 7

Text proposed by the Commission

(7) In order to reflect significant policy developments, the list of countries actually eligible for EIB financing operations under the EU guarantee should be reviewed as appropriate and the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amendments to Annex III to this Decision. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

Amendment

(7) In order to reflect significant policy developments, the list of countries actually eligible for EIB financing operations under the EU guarantee should be reviewed as appropriate and the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amendments to Annex III to this Decision. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of **all** relevant documents to the European Parliament and Council.

Amendment 6

Proposal for a decision Recital 8

Text proposed by the Commission

(8) In order to cater for the potential evolution of the actual provisioning needs of the Guarantee Fund in accordance with Council Regulation (EC, Euratom) No 480/2009 **of 25 May 2009 establishing a Guarantee Fund for external actions**⁵, the maximum ceiling of the EU guarantee should be broken down into a fixed ceiling of a maximum amount of **EUR 25 bn** and an optional additional amount of EUR 3

Amendment

(8) In order to cater for the potential evolution of the actual provisioning needs of the Guarantee Fund in accordance with Council Regulation (EC, Euratom) No 480/2009⁵, the maximum ceiling of the EU guarantee should be broken down into a fixed ceiling of a maximum amount of **EUR 27 billion** and an optional additional amount of EUR 3 billion. **The provisioning of the Guarantee Fund for external**

bn.

actions in the budget (budget line 01 03 06) is made ex-post on the basis of the outturn figures for outstanding guaranteed external lending at the end of year n-2; in view of the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No. 1638/2006 laying down general provisions establishing a European Neighbourhood and Partnership Instrument⁵⁵, "reflows" deriving from Mediterranean risk capital and loan investments under the past MEDA programme (before 2007) using EU budget funds should be returned to the EU budget as external assigned revenue.

⁵ OJ L 145, 10.6.2009, p. 10.

⁵ OJ L 145, 10.6.2009, p. 10.

^{5a} COM((2008)0308).

Amendment 7

Proposal for a decision

Recital 9

Text proposed by the Commission

(9) The amounts covered by the EU guarantee in each region should continue to represent ceilings for the EIB financing under the EU guarantee and not targets that the EIB is required to meet. The ceilings should be evaluated as part of the mid-term review of this Decision.

Amendment

(9) The amounts covered by the EU guarantee in each region should continue to represent ceilings for the EIB financing under the EU guarantee and not targets that the EIB is required to meet. The ceilings should be evaluated as part of the mid-term review of this Decision. *Changes to the list of eligible regions and countries in Annex III should be taken into account when adjusting regional ceilings.*

Amendment 8

Proposal for a decision

Recital 10

Text proposed by the Commission

(10) In order to enhance the coherence and the focus of the EIB external financing activity on supporting Union policies, and for the maximum benefit of beneficiaries, Decision No 1080/2011/EU set out general objectives for EIB financing operations across all eligible regions and countries, i.e. local private sector development, in particular in support of small and medium-sized enterprises (SMEs), social and economic infrastructure and climate change mitigation and adaptation, building on the comparative strengths of the EIB in areas where it has a well-proven track record. These objectives should be maintained in this Decision.

Amendment

(10) ***In order to respect developing countries' ownership of development strategies, all EIB investments should be aligned to country owned development strategies. Against this background,*** in order to enhance the coherence and the focus of the EIB external financing activity on supporting Union policies, and for the maximum benefit of beneficiaries, Decision No 1080/2011/EU set out general objectives for EIB financing operations across all eligible regions and countries, i.e. local private sector development, in particular in support of small and medium-sized enterprises (SMEs), social and economic infrastructure and climate change mitigation and adaptation, building on the comparative strengths of the EIB in areas where it has a well-proven track record. These objectives should be maintained in this Decision.

Amendment 9

Proposal for a decision

Recital 11

Text proposed by the Commission

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. In order to effectively reach out to SMEs, the EIB should cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance.

Amendment

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. In order to effectively reach out to SMEs, ***the EIB financing operations should be results-oriented and, where appropriate, include seed-capital for SMEs. The EIB should invest in research and innovation by SMEs as a means of supporting local development. The EIB*** should cooperate with local financial intermediary

institutions in the eligible countries, ***which should be integrated into the local economy and should contribute to the welfare of the local population***, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance. ***Where appropriate through its cooperation agreements with those intermediary institutions, the EIB should request that their client's projects be checked against the regional technical operational guidelines, the Results Measurement framework (REM) and the EIB standards. In particular, the financial intermediaries' activities in support of SMEs should be fully transparent and be reported regularly to the EIB.***

Amendment 10

Proposal for a decision Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) The EIB should draw up a list of all recipients of EIB funding and make it publicly available on its website. It should include recipients of both direct financing or financing via local financial intermediaries. Unless already published in some form, and prior to project approval, the EIB should make available relevant information on the beneficiaries of long-term loans and guarantees, on all its financial intermediaries, project eligibility criteria and venture capital loans to SMEs, specifying in particular the amounts disbursed, the number of loans granted, and the region and industrial sector concerned.

Amendment 11
Proposal for a decision
Recital 12

Text proposed by the Commission

(12) The coverage of the EU guarantee, which is limited to risks of a sovereign and political nature, is not sufficient in itself to ensure a meaningful EIB activity in support of micro-finance. Therefore such activity, where appropriate, should be carried out in connection with budgetary resources available under other instruments.

Amendment

(12) The coverage of the EU guarantee, which is limited to risks of a sovereign and political nature, is not sufficient in itself to ensure a meaningful EIB activity in support of micro-finance. Therefore such activity, where appropriate, should be carried out in connection with budgetary resources available under other instruments ***and/or via intermediary institutions. The EIB should also be encouraged to strengthen its interventions in this area through its partners at local level, as a means to promote growth and poverty reduction in poorer countries.***

Amendment 12
Proposal for a decision
Recital 13

Text proposed by the Commission

(13) The EIB should continue to finance investment projects in the areas of social, environmental ***and*** economic infrastructure, and should consider increasing its activity in support of health and education infrastructure when there is clear added value in doing so.

Amendment

(13) The EIB should continue to finance investment projects in the areas of social, environmental, economic ***and transport*** infrastructure, and should consider increasing its activity in support of health and education infrastructure when there is clear added value in doing so. ***The EIB should also continue to provide projects with technical advice and assistance, as such support has an important role in the improvement and quality control of projects.***

Amendment 13
Proposal for a decision
Recital 14

Text proposed by the Commission

(14) The EIB should also ***continue to finance*** investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale.

Amendment

(14) The EIB should also ***increase its financing of*** investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale. ***To this end, priority should be given to small-scale, off-grid decentralised renewable energy projects, to ensure energy access to rural areas. The EIB could contribute its expertise and resources, in close cooperation with the Commission, to support public authorities as well as the private sector in order to address the challenge of climate change and to make the best possible use of available financing. For mitigation and adaptation projects, the resources of the EIB should, where possible and appropriate, be complemented with concessional funds available under the Union budget through the efficient and consistent blending of grants and loans for climate change financing in the context of Union external assistance. In this regard, it is appropriate that the Commission's annual report to the European Parliament and the Council should contain a detailed report on the financial instruments used for financing these projects, identifying the amounts of EIB financing under the external mandate and the corresponding amounts of grants.***

Amendment 14

**Proposal for a decision
Recital 14 a (new)**

Text proposed by the Commission

Amendment

(14a) Eligibility to receive EIB financing for climate-change mitigation under the EU guarantee could be restricted for countries that are deemed not to have committed themselves to meeting appropriate climate change-related targets. Any such restriction of eligibility should be based on comprehensive political assessments. Therefore, the Council should have the power to decide, on a proposal from the Commission with the involvement of the European External Action Service (EEAS), to restrict the eligibility of a country to receive EIB financing for climate-change mitigation under the EU guarantee. When supporting climate change mitigation projects, the EIB should take into consideration the conclusions of the European Council of 22 May 2013 regarding the need to prioritise the phasing out of environmentally or economically harmful subsidies, including for fossil fuels.

Amendment 15

Proposal for a decision

Recital 15

Text proposed by the Commission

(15) Within the areas covered by the general objectives, regional integration among countries, in particular economic integration between Pre-accession countries, Neighbourhood countries and the Union, should be an underlying objective for EIB financing operations. Within the aforementioned areas, the EIB should be able to support partner countries through foreign direct investments by companies from the Union that contribute

Amendment

(15) Within the areas covered by the general objectives, regional integration among countries, in particular economic integration between Pre-accession countries, Neighbourhood countries and the Union, should be an underlying objective for EIB financing operations. Within the aforementioned areas, the EIB should be able to support partner countries through foreign direct investments by companies from the Union that contribute

to promoting technology and knowledge transfer, providing that due consideration has been made during the investment projects' due diligence to minimise the risks that EIB financing operations lead to negative repercussions on employment in the Union. ***The EIB should also be encouraged to support foreign direct investment in partner countries by companies from the Union at its own risk.***

to promoting technology and knowledge transfer, providing that due consideration has been made during the investment projects' due diligence to minimise the risks that EIB financing operations lead to negative repercussions on employment in the Union. ***EIB financing should not contribute to the relocation of jobs away from the Union. Care should also be taken to ensure that foreign direct investment by businesses based in the Union which is supported by the EIB genuinely contributes to economic integration between pre-accession countries, neighbourhood countries and the Union. The EIB should therefore indicate in what form it is specifically supporting businesses and how the businesses are using this support.***

Amendment 16

Proposal for a decision Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) The EIB should regularly conduct evaluations of the costs and benefits of supported projects to ensure their economic viability and contribution to sustainable development.

Amendment 17

Proposal for a decision Recital 16

Text proposed by the Commission

Amendment

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines.

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines.

Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be reviewed and further updated following the review of this Decision in order to *adapt to the* developments in the Union external policies and priorities.

Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be *regularly updated to align them to the Union priorities across regions, as defined by the European Parliament and the EEAS, as well as with political developments in eligible countries. The regional technical operational guidelines should also be reviewed following consultation with relevant stakeholders* and further updated following the *mid-term* review of this Decision in order to *reflect* the developments in the Union external policies and *its* priorities.

Amendment 18

Proposal for a decision

Recital 18

Text proposed by the Commission

(18) While the EIB's strength remains its *distinctiveness as an investment bank*, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. In particular, in relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, the campaign against poverty, as well as compliance with objectives approved by the Union in the context of the United Nations and other competent

Amendment

(18) While the EIB's strength remains its *distinctive model as a publicly owned international financial institution whose remit is that of providing long-term lending so as to meet the policy goals set by its shareholders*, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 TEU, of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international *commitments and agreements, including* environmental agreements to which the Union is a party. In particular, *the EIB should contribute to economic, financial and technical cooperation with third countries in accordance with Article 212 TFEU. Furthermore, EIB actions should be in accordance with Article 3(5) TEU, which requires the Union to contribute to*

international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) *of the Treaty*, the EIB should strive to support *indirectly* the achievement of the UN's 2015 Millennium Development Goals in all regions where it is active.

the strict observance of international law, including respect for the principles of the United Nations Charter. In relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, *the reduction of poverty and food insecurity*, as well as compliance with objectives approved by the Union in the context of the United Nations and other *relevant* international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) *TFEU*, the EIB should strive to support the achievement of the UN's 2015 Millennium Development Goals *(MDG)*, *and after 2015 the achievement of any new development targets which might modify or replace the MDGs*, in all regions where it is active.

Amendment 19

Proposal for a decision

Recital 19

Text proposed by the Commission

(19) The EIB activity under this Decision should support the Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and

Amendment

(19) The EIB activity under this Decision should support the *implementation of the European Consensus on Development*, of the Agenda for Change and *of* the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and international environmental agreements

international environmental agreements including biodiversity commitments. It should be implemented through a number of concrete measures, in particular by reinforcing the EIB's capacity to appraise environmental, social and development aspects of investment projects, including human rights and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, where appropriate and in line with the Union's social and environmental principles, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

including biodiversity commitments. It should be implemented through a number of concrete measures, *in particular* by reinforcing the EIB's capacity to appraise environmental, social, development aspects of investment projects, including human rights, ***fundamental freedoms*** and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its REM which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, where appropriate and in line with the Union's social and environmental principles ***and legislation, as well as in full respect of national law and environmental and social standards of the beneficiary country***, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place. ***EIB financing agreements should also refer to the relevant EU decisions and conclusions regarding an assessment of the human rights situation of the countries where it operates and the Commission should, by means of a delegated act, decide upon countries' eligibility for new EIB financing operations under the EU guarantee. In accordance with the development effectiveness agenda, the EIB should ensure that its interventions are consistent with the development***

strategies of beneficiary countries.

Amendment 20

Proposal for a decision Recital 20

Text proposed by the Commission

(20) At all levels, from upstream strategic planning to downstream investment project development, it should be ensured that EIB financing operations comply with and support Union external policies and the general objectives set out in this Decision. With a view to increasing the coherence of Union external action, dialogue on policy and strategy should be further strengthened between the Commission and the EIB, including the *European External Action Service* (EEAS). The Memorandum of Understanding to be revised in 2013 to enhance cooperation and early mutual exchange of information between the Commission and the EIB at operational level should continue to be applied. It is of particular importance to have an early exchange of views between the Commission and the EIB, including the EEAS, as appropriate, in the process of preparing programming documents in order to maximise synergies between their activities. The cooperation in relation to the respect of human rights and conflict prevention issues should also be reinforced.

Amendment

(20) At all levels, from upstream strategic planning to downstream investment project development, it should be ensured that EIB financing operations comply with and support Union external policies and the general objectives set out in this Decision. With a view to increasing the coherence of Union external action, dialogue on policy and strategy should be further strengthened between the Commission and the EIB, including the EEAS, ***while keeping the European Parliament duly informed. EIB offices outside the Union should whenever possible be located within Union delegations in order to foster such cooperation while sharing operating costs.*** The memorandum of understanding to be revised in 2013 to enhance cooperation and early mutual exchange of information between the Commission, ***the EEAS*** and the EIB at operational level should continue to be applied. It is of particular importance to ***systematically*** have an early exchange of views between the Commission and the EIB, including the EEAS, as appropriate, in the process of preparing ***relevant*** programming documents in order to maximise synergies between their activities. The cooperation in relation to the respect of human rights, ***fundamental freedoms*** and conflict prevention issues should also be reinforced.

Amendment 21
Proposal for a decision
Recital 21

Text proposed by the Commission

(21) Union external relations should be supported by new instruments from 2014, including an umbrella Regulation establishing common rules and procedures for the implementation of the Union's instruments for external action⁶. With a view to enhancing the coherence of overall Union support in the regions concerned, opportunities should be seized to combine EIB financing with Union budgetary resources when and as appropriate, in the form of financial instruments provided for in Title VIII of Regulation (EU, Euratom) No 966/2012 ***of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002***⁷ and technical assistance for project preparation and implementation, through the Instrument for Pre-Accession Assistance II (IPA II)⁸, the European Neighbourhood Instrument (ENI)⁹, the Development Cooperation Instrument (DCI)¹⁰, the Partnership Instrument for cooperation with third countries¹¹, the Instrument for the promotion of Democracy and Human Rights worldwide¹², the Instrument for Stability¹³, and the Instrument for Nuclear Safety Cooperation¹⁴. Following Decision No 1080/2011/EU, the Commission established an EU Platform for Blending in External Cooperation with a view to optimising the functioning of mechanisms for the blending of grants and loans outside the Union.

Amendment

(21) Union external relations should be supported by new instruments from 2014, including an umbrella Regulation establishing common rules and procedures for the implementation of the Union's instruments for external action⁶. With a view to enhancing the coherence of overall Union support in the regions concerned, opportunities should be seized to combine, EIB financing with Union budgetary resources when and as appropriate, in the form of financial instruments provided for in Title VIII of Regulation (EU, Euratom) No 966/2012⁷ and technical assistance for project preparation and implementation, through the Instrument for Pre-Accession Assistance II (IPA II)⁸, the European Neighbourhood Instrument (ENI)⁹, the Development Cooperation Instrument (DCI)¹⁰, the Partnership Instrument for cooperation with third countries¹¹, the Instrument for the promotion of Democracy and Human Rights worldwide¹², the Instrument for Stability¹³, and the Instrument for Nuclear Safety Cooperation¹⁴. Following Decision No 1080/2011/EU, the Commission established an EU Platform for Blending in External Cooperation with a view to optimising the functioning of mechanisms for the blending of grants and loans outside the Union ***respecting the role and prerogatives of the Commission and of the EIB in implementing the Union budget and EIB loans respectively. The participation of the EIB and other financial institutions in blending mechanisms should be fully in line with the Union's development objectives, aid effectiveness principles and transparency.***

⁶ COM(2011)842 *Final*

⁷ OJ L 298, 26.10.2012, p. 1.

⁸ COM(2011)838 *Final*

⁹ COM(2011)839 *Final*

¹⁰ COM(2011)840 *Final*

¹¹ COM(2011)843 *Final*

¹² COM(2011)844 *Final*

¹³ COM(2011)845 *Final*

¹⁴ COM(2011)841 *Final*

⁶ COM(2011)0842.

⁷ *Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002* (OJ L 298, 26.10.2012, p. 1).

⁸ COM(2011)0838.

⁹ COM(2011)0839.

¹⁰ COM(2011)0840.

¹¹ COM(2011)0843.

¹² COM(2011)0844.

¹³ COM(2011)0845.

¹⁴ COM(2011)0841.

Amendment 22

Proposal for a decision

Recital 22

Text proposed by the Commission

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation with European *Financial Institutions* and *International Financial Institutions*, notably those participating in the EU Platform for Blending in External Cooperation. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. The tripartite *Memorandum of Understanding* between

Amendment

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation with European *financial institutions* and *international financial institutions*, notably those participating in the EU Platform for Blending in External Cooperation **and to promote the introduction of common standards of governance and common evaluation criteria**. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs

the Commission, the EIB Group and the European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other *European Financial Institutions and International Financial Institutions*.

and unnecessary overlap. ***Cooperation should be based on the principle of reciprocity.*** The tripartite memorandum of understanding between the Commission, the EIB Group and the European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other *European financial institutions and international financial institutions, or with Member States' development and cooperation agencies including regarding consistency with the Union's development objectives, aid effectiveness principles, transparency and democratic scrutiny.*

Amendment 23

Proposal for a decision Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) The EIB should expand its provision of technical assistance to beneficiaries, with the aim of supporting local capacity-building and economic, environmental, social and political development. In particular, it should expand its provision of technical assistance to SMEs, with the aim of supporting innovative ideas and helping start-ups attract funding from financial intermediaries.

Amendment 24

Proposal for a decision Recital 23

Text proposed by the Commission

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations, where the EU guarantee therefore provides greater added value. Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, including in support of Union economic interests, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into account its own risk absorption capacity.

Amendment

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations, where the EU guarantee therefore provides greater added value. ***The EIB should be encouraged to focus its operations where it can have the highest impact in terms of sustainable economic, social and environmental development.*** Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, including in support of Union economic interests, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into account its own risk absorption capacity.

Amendment 25

Proposal for a decision Recital 24

Text proposed by the Commission

(24) The EIB should expand the range of innovative financial instruments it offers, including by focusing more on developing guarantee instruments. Moreover, the EIB should actively seek to participate in risk

Amendment

(24) The EIB should expand the range of innovative financial instruments it offers, including by focusing more on developing guarantee instruments. Moreover, the EIB should actively seek to participate in risk

sharing instruments and debt capital market financing of projects with stable and predictable cash flow generation. In particular, it should consider supporting debt capital market instruments issued or granted for the benefit of an investment project carried out in the eligible countries. In addition, the EIB should increase its provision of loans in local currencies and issue bonds in local markets, provided that beneficiary countries put in place the necessary structural reforms, in particular in the financial sector, as well as other measures to facilitate EIB activities.

sharing instruments and debt capital market financing of projects with stable and predictable cash flow generation. In particular, it should consider supporting debt capital market instruments issued or granted for the benefit of an investment project carried out in the eligible countries. In addition, the EIB should increase its provision of loans in local currencies and issue bonds in local markets, provided that beneficiary countries put in place the necessary structural reforms, in particular in the financial sector, as well as other measures to facilitate EIB activities. ***The EIB should explore opportunities for cooperation with the Commission and the EEAS to support local authorities in carrying out the necessary reforms in their financial sector. In the diversification and expansion of capital market instruments, special care should be taken to ensure that they are compatible with Union law on financial services and do not help to establish risky financial practices which for example entail greater risks of securitisation and indebtedness and may therefore jeopardise financial stability. The use of debt instruments, covered by the EU guarantee, should be consistent with the ceilings set out in this Decision.***

Amendment 26

Proposal for a decision Recital 24 a (new)

Text proposed by the Commission

Amendment

(24a) The annual EIB report should in particular assess the compliance of EIB financing operations with this Decision, taking into account the regional technical operational guidelines, and should include sections on the following: EIB added value, such as support to Union

external policies; mandate requirements; the quality of financed operations; the transfer of financial benefits to clients; and sections on cooperation, including co-financing, with the Commission and with other IFIs and bilateral donors. The report should also assess the extent to which the EIB has taken into account economic, financial, environmental and social sustainability in the appraisal and monitoring of the projects financed. It should also contain a specific section devoted to a detailed evaluation of the measures taken by the EIB to comply with the current mandate, paying particular attention to the EIB financing operations using financial vehicles situated in non-cooperative jurisdictions. It should be made public to the extent possible, thus allowing civil society and recipient countries to express their views. Where necessary, the report should include references to significant changes in circumstances that would justify further amendments to the mandate before it ends.

Amendment 27

Proposal for a decision Recital 25

Text proposed by the Commission

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound banking **practice**. They should continue to be managed in accordance with the **EIB's own** rules and procedures, including appropriate **control** measures and compliance with the EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the

Amendment

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with **the rules and procedures provided for under** the principles of sound banking practice, including appropriate **supervision** measures and compliance with the EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the European Anti-Fraud Office (OLAF). In its financing operations

European Anti-Fraud Office (OLAF). In its financing operations the EIB should ***adequately implement its policies towards*** weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering.

the EIB should ***avoid any kind of direct or indirect cooperation with*** weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering ***and should follow the Commission's most recent criteria to identify jurisdictions which do not meet minimum standards of good governance in tax matters. Particularly in the case of financing via local financial intermediaries, it should therefore be ensured that the financing made available by the intermediaries avoids the risk of fraud and corruption. In the interests of transparency, the EIB should draw up, in cooperation with the local financial intermediaries, a list of the final borrowers. The EIB should also, as far as possible, increase the diversification of its financial partners in the countries in which it operates, and encourage the establishment of public-private partnerships.***

Amendment 28

Proposal for a decision Recital 26

Text proposed by the Commission

(26) The EIB should take appropriate measures ensuring that, when financing operations subject to the EU guarantee, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities and that OLAF is entitled to conduct on-the-spot checks and *Inspections* in the premises of the beneficiaries.

Amendment

(26) The EIB should take appropriate measures ensuring that, when financing operations subject to the EU guarantee, the financial interests of the European Union ***and its Member states*** are protected by the application of preventive measures against fraud, corruption, ***money laundering*** and any other illegal activities, ***particularly in connection with States classified as tax havens***, and that OLAF is entitled to conduct on-the-spot checks and *inspections* in the premises of the beneficiaries. ***The EIB should, in line with its internal guideline entitled "Policy on preventing***

and deterring prohibited conduct in European Investment Bank activities"("the EIB anti-fraud policy") adopted in 2008, cooperate closely with Member States' financial intelligence units (FIUs), the Commission, the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA), the European Insurance and Occupational Pensions Authority (EIOPA), the Single Supervisory Mechanism, and the competent authorities of the foreign countries where the EIB operates in order to strengthen the anti-money laundering and terrorist-financing measures in force and help improve their enforcement.

Amendment 29

Proposal for a decision Recital 26 a (new)

Text proposed by the Commission

Amendment

(26a) In order to ensure that the EIB meets the requirements of the mandate across regions and sub regions, sufficient human and financial resources should, over time, be allocated to its external activities. This should in particular include having sufficient capacity to support Union external policy objectives including development cooperation under the mandate, to increase focus on ex ante appraisal of the environmental, social and development aspects of its activities, and to effectively monitor projects during implementation. Opportunities to further enhance efficiency and effectiveness should be exploited, and synergies should be actively pursued.

Amendment 30
Proposal for a decision
Article 1 – paragraph 2

Text proposed by the Commission

2. Eligible for the EU guarantee shall be the EIB loans, loan guarantees, and debt capital market instruments that are granted for or issued for the benefit of investment projects carried out in eligible countries in accordance with the EIB's own rules and procedures and in support of the relevant Union external policy objectives, where EIB financing has been granted in accordance with a signed agreement which has neither expired nor been cancelled ("EIB financing operations").

Amendment

2. Eligible for the EU guarantee shall be the EIB loans, loan guarantees, and debt capital market instruments that are granted for or issued for the benefit of investment projects carried out in eligible countries in accordance with the EIB's own rules and procedures ***including the EIB's statement on environmental and social principles and standards***, and in support of the relevant Union external policy objectives, where EIB financing has been granted in accordance with a signed agreement which has neither expired nor been cancelled ("EIB financing operations").

Amendment 31
Proposal for a decision
Article 1 – paragraph 5

Text proposed by the Commission

5. If, on expiry of the period referred to in paragraph 4, the European Parliament and the Council have not adopted a decision granting a new EU guarantee to the EIB against losses under its financing operations outside the Union, that period shall be automatically extended by six months.

Amendment

5. If, on expiry of the period referred to in paragraph 4, the European Parliament and the Council have not adopted a decision granting a new EU guarantee to the EIB against losses under its financing operations outside the Union, that period shall be automatically extended ***once*** by six months.

+

Amendment 32
Proposal for a decision
Article 2 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-2020 shall not exceed EUR 28 000 000 000. Amounts cancelled shall not count against the ceiling.

Amendment

The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-2020 shall not exceed EUR 30 000 000 000. Amounts *initially earmarked for financing operations but subsequently* cancelled shall not count against the ceiling.

Amendment 33

Proposal for a decision

Article 2 – paragraph 1 – subparagraph 2 – point a

Text proposed by the Commission

(a) a fixed ceiling of a maximum amount of EUR 25 000 000 000;

Amendment

(a) a fixed ceiling of a maximum amount of EUR 27 000 000 000;

Amendment 34

Proposal for a decision

Article 2 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB financing operations in support of Union external policies shall be managed in accordance with the principles of sound banking practices.

Amendment 35

Proposal for a decision

Article 3 – paragraph 1 – point a

Text proposed by the Commission

(a) local private sector development, in particular support to SMEs;

Amendment

(a) local private sector development, in particular support to ***local*** SMEs;

Amendment 36

Proposal for a decision

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) development of *social, environmental and economic* infrastructure;

Amendment

(b) development of *economic, social and environmental and transport* infrastructure;

Amendment 37

Proposal for a decision

Article 3 – paragraph 2

Text proposed by the Commission

2. EIB financing operations carried out under this Decision shall contribute to the general principles guiding Union external action, as referred to in Article 21 TEU and shall contribute to the implementation of international environmental agreements to which the Union is a party.

Amendment

2. EIB financing operations carried out under this Decision shall contribute to the general principles guiding Union external action, as referred to in Article 21 TEU and shall contribute to the implementation of international environmental agreements to which the Union is a party. ***The EIB governing bodies are encouraged to take the necessary measures to adapt the bank's business model, including its resources, local presence and link with beneficiaries, to ensure effectiveness in supporting the EU external policies and to adequately meet the requirements set out in this Decision.***

Amendment 38

Proposal for a decision

Article 3 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB shall take care, in its choice

of projects, to safeguard the European interest.

+

Amendment 39

Proposal for a decision Article 3 – paragraph 3

Text proposed by the Commission

3. Regional integration among countries, including economic integration between Pre-accession countries, Neighbourhood countries and the Union, shall be an underlying objective for EIB financing operations within areas covered by the general objectives as defined in paragraph 1.

Amendment

3. Regional integration among countries, including ***in particular*** economic integration between Pre-accession countries, Neighbourhood countries and the Union, shall be an underlying objective for EIB financing operations within areas covered by the general objectives as defined in paragraph 1. ***It shall also be ensured that the foreign direct investment that is supported by the EIB genuinely contributes to economic integration between Pre-accession countries, Neighbourhood countries and the Union.***

Amendment 40

Proposal for a decision Article 3 – paragraph 4

Text proposed by the Commission

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, EIB financing operations shall contribute ***indirectly*** to the objectives of the Union policy ***in development cooperation as referred to in Article 208 TFEU***.

Amendment

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, ***the*** EIB financing operations shall contribute, ***in accordance with Articles 208 and 209 TFEU***, to the objectives of the Union ***development cooperation*** policy, ***such as reducing poverty through inclusive growth and sustainable economy, environmental and social development.***

Justification

The word “indirectly” is not clear within this context. The EIB should, in principle, strive to support the objectives of the Union policy in development cooperation as referred to in Article 208 TFEU. It is unjustified to limit the EIB’s support only to the indirect support, especially if such support is not defined.

Amendment 41

Proposal for a decision Article 3 – paragraph 5

Text proposed by the Commission

5. EIB financing operations supporting the objectives provided for in paragraph 1(a) **may** include support to investment projects by SMEs from the Union.

Amendment

5. The EIB shall always, as a priority, endeavour to strengthen the local private sector in beneficiary countries. To ensure that investments in the private sector have the greatest development impact, EIB financing operations supporting the objectives provided for in paragraph 1(a) shall target local companies within developing countries whenever possible, but may also include support to investment projects by SMEs from the Union. However, it shall be ensured that EIB financing is genuinely used in the specific investment projects for the benefit of the SMEs concerned and not channelled to other areas as concealed support for undertakings. In order to ensure that funding is used as intended, the EIB shall draw up practical reporting standards to be complied with by borrowers.

Amendment 42

Proposal for a decision Article 3 – paragraph 6

Text proposed by the Commission

6. EIB financing operations supporting the objectives provided for in paragraph 1(b)

Amendment

6. EIB financing operations supporting the objectives provided for in paragraph 1(b)

shall support investment projects in the areas of transport, energy, including renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, energy security and energy infrastructure, including ***for gas production and transportation to EU energy market***, environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education.

shall ***predominantly*** support investment projects in the areas of transport, energy, including ***decentralised off-grid*** renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, ***sustainable*** energy security and energy infrastructure, including ***electricity transmission infrastructure, in particular interconnections that facilitate the integration of electricity from renewable sources***, environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education. ***Priority consideration shall be given to electricity and gas infrastructure projects connecting the Union and third countries which provide mutual economic, development, social and environmental benefits. The EIB shall ensure compliance with the provisions of the United Nations Economic Commission for Europe Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention) at the various relevant stages of projects.***

Amendment 43
Proposal for a decision
Article 3 – paragraph 7

Text proposed by the Commission

7. EIB financing operations supporting the objectives provided for in paragraph 1(c) shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in

Amendment

7. EIB financing operations supporting the objectives provided for in paragraph 1(c) shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in

the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities. Over the period covered by the Decision, the volume of **these** operations shall represent at least 25% of total EIB financing operations.

the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities. ***The eligibility criteria for climate change projects need to be clearly defined and shall be further defined in the next revision of the regional technical operational guidelines, after thorough public consultations, and be reflected in the climate change strategy of the EIB during the midterm review of this Decision. To this end, an analysis of the carbon footprint needs to be included in the environmental assessment procedure to determine whether project proposals maximize energy-efficiency improvements.*** Over the period covered by the Decision, the volume of operations ***in the field of climate change mitigation*** shall represent at least 25% of total EIB financing operations. ***By promoting investment projects in the field of renewable energy and better energy efficiency, the EIB shall contribute to a sustainable energy mix with a gradual phasing-out of its financing operations in fossil fuels. Therefore, it must be ensured that investment in the field of renewable energy and better energy efficiency are preferred to investment in fossil fuels which generate high CO₂ emissions.***

Amendment 44

Proposal for a decision Article 3 – paragraph 8

Text proposed by the Commission

8. In line with Union and international climate change objectives, before the end of **2016**, the EIB, in cooperation with the Commission and following a public consultation, shall update its climate change strategy as regards EIB financing

Amendment

8. In line with Union and international climate change objectives, before the end of **2015**, the EIB, in cooperation with the Commission and following a public consultation, shall update its climate change strategy as regards EIB financing

operations.

operations. *This update shall inter alia integrate concrete actions to phase out financing projects detrimental to the achievement of the Union's climate objectives and step up efforts to support renewable energy sources and energy efficiency.*

Amendment 45

Proposal for a decision

Article 3 – paragraph 8 a (new)

Text proposed by the Commission

Amendment

8a. The EU guarantee shall cover only EIB financing operations carried out in eligible countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out. Financial agreements with individual promoters relating to EIB operations shall also include appropriate environmental, social, human rights and labour provisions.

Amendment 46

Proposal for a decision

Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. The list of countries potentially eligible for EIB financing under EU guarantee is set out in Annex II. The list of countries eligible for EIB financing under EU guarantee is set out in Annex III and shall include no countries other than those listed in Annex II.

1. The list of countries potentially eligible for EIB financing under EU guarantee is set out in Annex II. The list of countries eligible for EIB financing under EU guarantee is set out in Annex III and shall include no countries other than those listed in Annex II. ***For countries not listed in Annex II, eligibility for EIB financing under the EU guarantee shall be decided on a case-by-case basis in accordance***

with the ordinary legislative procedure.

Amendment 47

Proposal for a decision Article 4 – paragraph 2

Text proposed by the Commission

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 concerning amendments to Annex III. The Commission's decisions shall be based on an overall economic and political assessment, ***including*** aspects related to the democracy, human rights and fundamental freedoms as well as the relevant European Parliament resolutions and Council decisions and conclusions.

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 concerning amendments to Annex III. The Commission's decisions shall be based on an overall economic ***social, environmental*** and political assessment, ***in particular*** aspects related to the democracy, human rights and fundamental freedoms as well as the relevant European Parliament resolutions and Council decisions and conclusions.

Amendment 48

Proposal for a decision Article 4 – paragraph 5

Text proposed by the Commission

5. The EU guarantee shall cover only EIB financing operations carried out in eligible countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out.

Amendment

deleted

Amendment 49

Proposal for a decision

Article 5 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. The Commission shall update, together with the EIB, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision.

Amendment

1. The Commission shall update, together with the EIB ***and in close cooperation with the EEAS***, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision

Amendment 50

Proposal for a decision

Article 5 – paragraph 3

Text proposed by the Commission

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions. The EEAS shall also be consulted on policy issues, as appropriate.

Amendment

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions, ***as well as the political developments taking place in the eligible countries. The guidelines shall reflect the priorities contained in the national or regional programmes drawn up, where appropriate after consultations with local civil society.***

Amendment 51

Proposal for a decision

Article 6 – paragraph 1 – point b

Text proposed by the Commission

(b) the EIB's strategic planning documents and investment project pipelines;

Amendment

(b) the EIB's strategic planning documents and investment project pipelines ***and annual reporting***;

Amendment 52

Proposal for a decision

Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The lending operations of the EIB shall be consistent with the development strategies of the beneficiary country. The EIB shall also require the project promoters to carry out appropriate consultations with the relevant national and local stakeholders, as well as with civil society, at project planning stage and implementation stage.

Amendment 53

Proposal for a decision

Article 6 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. The consistency of EIB financing operations under the mandate with Union external policy objectives shall be monitored in accordance with Article 10. In the context of its results measurement framework, the EIB shall develop performance indicators in relation to development, environmental and human rights aspects of projects funded, taking into account the relevant indicators under the Paris Declaration for Aid Effectiveness, in order to facilitate such monitoring. Indicators for environmental aspects of projects shall include criteria for "clean technology" which are oriented in principle at energy efficiency and technologies for reducing emissions.

Amendment 54

Proposal for a decision Article 7 – paragraph 1

Text proposed by the Commission

1. EIB financing operations shall be carried out, where appropriate, in cooperation with other European *Financial Institutions* **and International Financial Institutions** in order to maximise synergies, cooperation and efficiency, to develop jointly innovative financial instruments, to ensure prudent and reasonable sharing of risks and coherent investment project and sector conditionality, and in order to minimise possible duplication of costs and unnecessary overlap.

Amendment

1. EIB financing operations shall be carried out, where appropriate, in cooperation with other European ***multilateral and bilateral financial institutions, international financial institutions and regional development banks*** in order to maximise synergies, cooperation and efficiency, to develop jointly innovative financial instruments, to ensure prudent and reasonable sharing of risks and coherent investment project and sector conditionality, and in order to minimise possible duplication of costs and unnecessary overlap.

Amendment 55

Proposal for a decision Article 7 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB shall not cooperate with financial intermediaries with a negative track record in terms of transparency, fraud, corruption and environmental or social impacts. A stringent list of criteria for selection of financial intermediaries shall be established by the EIB jointly with the Commission and made publicly available.

Amendment 56

Proposal for a decision Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7a (new)

Cooperation with financial intermediaries

When operating under the EU guarantee, the EIB shall cooperate only with financial intermediaries that have substantial local ownership, that are not operating in offshore financial centres and that are equipped to implement a pro-development approach supporting the specificity of SMEs in the countries of operation, and that are neither operating or established in a jurisdiction that:

- provides for tax measures which entail no or nominal taxes or where advantages are granted even without any real economic activity and substantial economic presence within the jurisdiction offering such tax advantages;***
- does not fully comply with the standards on the exchange of information laid down in the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements;***
- is listed as a Non-Cooperative Country or Territory by the Financial Action Task Force (FATF).***

Justification

Financial intermediaries are mostly western commercial banks with little or no interest in development and SME development, and often operational in tax havens. They are not adapted to the requirements of local economies and should not be profiting from EIB activities.

Amendment 57

Proposal for a decision

Article 8 – paragraph 3 – introductory part

Text proposed by the Commission

3. For EIB financing operations other than those referred to in paragraph 1 and for EIB financing operations consisting of debt capital markets instruments, the EU guarantee shall cover all payments due to the EIB but not received by it, where the non-receipt has been caused by the realisation of one of the following political risks ("Political Risk Guarantee"):

Amendment

3. For EIB financing operations other than those referred to in paragraph 1 and for EIB financing operations consisting of debt capital markets instruments, ***provided that they comply with the principles of sound, sustainable banking practices, with a long-term future, which are based on the real economy***, the EU guarantee shall cover all payments due to the EIB but not received by it, where the non-receipt has been caused by the realisation of one of the following political risks ("Political Risk Guarantee"):

Amendment 58

Proposal for a decision

Article 8 – paragraph 5

Text proposed by the Commission

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee.

Amendment

5. The Commission and the EIB shall set out in the Guarantee agreement referred to in Article 13 a ***clear and transparent*** method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee. ***The allocation policy shall be made available to the European Parliament and made publicly available***

on the EIB website. The EIB website shall, after the project approval stage, list all operations financed by the EIB outside the Union benefitting from the EU guarantee.

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Amendment 59

Proposal for a decision

Article 9 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The EIB shall carry out thorough due diligence and, *where appropriate and* in line with Union social and environmental principles, *require* appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee.

Amendment

The EIB shall carry out thorough due diligence and in line with Union social and environmental principles *and law, as well as* appropriate local public consultation on *social, human rights, environmental, economic and* development-related aspects of investment projects covered by the EU guarantee, *including an assessment of the contribution to the objectives of the Union policy on development cooperation, referred to in Article 208 TFEU. The EIB shall remain in communication with the promoters and beneficiaries of the projects it funds throughout the project programming process. It shall also take account of the impact of the projects on those directly and indirectly affected by them.*

Amendment 60

Proposal for a decision

Article 9 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights and conflict

Amendment

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights,

prevention, to ensure that only investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

fundamental freedoms and conflict prevention *in line with the relevant Union principles and law, as well as legislation and environmental and social standards of the beneficiary countries* and to ensure that *predominantly* investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

Amendment 61

Proposal for a decision

Article 9 – paragraph 1 – subparagraph 3 a (new)

Text proposed by the Commission

Amendment

Moreover, where possible in its financial operations, the EIB shall ensure that the companies and financial institutions involved in the transaction disclose as much information as possible regarding beneficial ownership of any legal structure directly or indirectly related to the company, including trusts, foundations and bank accounts in order to enhance transparency.

Amendment 62

Proposal for a decision

Article 9 – paragraph 2

Text proposed by the Commission

Amendment

2. In addition to the *ex-ante* assessment of development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, *inter alia*, on the development, environmental and human rights impact of the investment project. The EIB shall verify the information

2. In addition to the *ex-ante* assessment of development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, *inter alia*, on the *economic*, development, *social*, environmental and human rights impact of the investment project. The EIB shall

provided by the project promoters.

systematically verify the information provided by the project promoters *and make it publicly available after signature if the promoter agrees. Where possible, completion reports shall be issued for projects covered by EU guarantees.*

Amendment 63

Proposal for a decision

Article 9 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB shall submit to the Commission annual reports assessing the estimated outputs, outcomes and development impact of the operations financed during the year, on the basis of its results measurement framework, including the performance indicators referred to in Article 6(2b). The Commission shall present the development reports of the EIB to the European Parliament and to the Council in the framework of the annual reporting exercise provided for in Article 10 and make them publicly available so that interested stakeholders, including civil society and recipient countries, are also able to express their views on the matter. The European Parliament shall discuss the annual reports, taking into consideration the views of all interested parties.

Amendment 64

Proposal for a decision

Article 9 – paragraph 3

Text proposed by the Commission

Amendment

3. The EIB monitoring shall also cover the

3. The EIB monitoring shall also cover,

implementation of intermediated operations and the performance of financial intermediaries in support of SMEs.

where possible, the implementation of intermediated operations and the performance ***and development impact*** of financial intermediaries in support of SMEs, ***including ex-ante and ex-post assessment relating to the projects undertaken***.

Amendment 65
Proposal for a decision
Article 9 – paragraph 4

Text proposed by the Commission

4. The EIB shall establish a comprehensive tracking system of monitoring relative and absolute greenhouse gas emissions reduction throughout ***significant*** EIB financing operations where emissions are significant and data is available.

Amendment

4. The EIB shall establish a comprehensive tracking system of monitoring relative and absolute greenhouse gas emissions reduction throughout EIB financing operations where emissions are significant and data is available.

Amendment 66
Proposal for a decision
Article 9 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The results of monitoring shall, where possible, be disclosed.

Amendment 67
Proposal for a decision
Article 9 a (new)

Text proposed by the Commission

Amendment

Article 9a
EIB technical assistance
The EIB shall, when appropriate, provide a breadth of technical assistance to beneficiaries for project preparation and

implementation, with the aim of supporting local capacity-building and economic, environmental, social and political development. The technical assistance given shall be complementary to the assistance given by other EU bodies in the framework of the Union's trade and development policy.

Amendment 68

Proposal for a decision

Article 10 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) an assessment of the application of the method referred to in Article 8(5); *deleted*

Justification

Article 10 -paragraph 1 (b) moved to Article 18 (Mid-term Review).

Amendment 69

Proposal for a decision

Article 10 – paragraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(ia) recommendations on how to improve EIB reporting.

Amendment 70

Proposal for a decision

Article 10 – paragraph 2

Text proposed by the Commission

Amendment

2. For the purposes of the Commission's reporting referred to in paragraph 1, the EIB shall provide the Commission with

2. For the purposes of the Commission's reporting referred to in paragraph 1, the EIB shall provide the Commission with

yearly reports on EIB financing operations carried out under this Decision including all necessary elements allowing the Commission to report in accordance with paragraph 1. The EIB may also provide to the Commission additional information relevant for the Council and the European Parliament to have a comprehensive overview of EIB external activity.

yearly reports on EIB financing operations carried out under this Decision ***and their contribution to the general principles guiding the Union's external action*** including all necessary elements allowing the Commission to report in accordance with paragraph 1. The EIB may also provide to the Commission additional information relevant for the Council and the European Parliament to have a comprehensive overview of EIB external activity.

Amendment 71

Proposal for a decision Article 10 – paragraph 5

Text proposed by the Commission

5. The EIB shall provide the Commission, at least on a yearly basis, an indicative multiannual programme of the planned volume of signatures of EIB financing operations, so as to ensure compatibility of the EIB's forecast financing with the ceilings established in this Decision and for the Commission to ensure appropriate budgetary planning for provisioning the Guarantee Fund¹⁷. The Commission shall take account of this forecast when preparing the draft budget.

¹⁷ Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions (OJ L

Amendment

5. The EIB shall provide the Commission, at least on a yearly basis, an indicative multiannual programme of the planned volume of signatures of EIB financing operations, so as to ensure compatibility of the EIB's forecast financing with the ceilings established in this Decision and for the Commission to ensure appropriate budgetary planning for provisioning the Guarantee Fund¹⁷. The Commission shall take account of this forecast when preparing the draft budget. ***On the basis of the annual reporting by the EIB, the Commission shall present its own evaluation to the European Parliament and the Council each year and suggest, if necessary, ways of improving compliance. An evaluation of this reporting, including ways to improve it, shall be provided during the mid-term review.***

¹⁷ Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions (OJ L

145, 10.6.2009, p. 10).

145, 10.6.2009, p. 10).

Amendment 72

Proposal for a decision

Article 10 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Repayments and revenues under the past MEDA programme (before 2007) accumulated in the Facility for Euro-Mediterranean Investment and Partnership (FEMIP) shall constitute external assigned revenue for the Guarantee fund for external actions.

Amendment 73

Proposal for a decision

Article 10 – paragraph 6

Text proposed by the Commission

Amendment

6. The EIB shall continue to provide the European Parliament, the Council and the Commission with all its independent evaluation reports which assess the practical results achieved by the specific activities of the EIB under this Decision and other external mandates.

6. The EIB shall continue to ***systematically*** provide the European Parliament, the Council and the Commission with all its independent evaluation reports which assess the practical results achieved by the specific activities of the EIB under this Decision and other external mandates.

Amendment 74

Proposal for a decision

Article 10 – paragraph 7

Text proposed by the Commission

Amendment

7. The EIB shall provide the information referred to in paragraphs 2 to 6 at its own expense

7. The EIB shall provide the information referred to in paragraphs 2 to 6 at its own expense. ***The EIB shall also make publicly available the information referred to in***

paragraphs 2 to 6, in general terms and excluding any confidential information.

Amendment 75

Proposal for a decision Article 11 - Title

Text proposed by the Commission

Public disclosure of information

Amendment

Transparency and public disclosure of information

Amendment 76

Proposal for a decision Article 11 – paragraph 1 – introductory part

Text proposed by the Commission

1. In accordance with ***its own transparency policy***, the EIB shall make publicly available on its website information relating to:

Amendment

1. In accordance with ***Union legislation on access to documents and information***, the EIB shall make publicly available on its website information relating to:

Amendment 77

Proposal for a decision Article 11 – paragraph 1 – point a

Text proposed by the Commission

(a) all EIB financing operations carried out under this Decision, in particular indicating whether an investment project is covered by the EU guarantee;

Amendment

(a) all EIB financing operations carried out under this Decision, in particular indicating whether an investment project is covered by the EU guarantee ***and how it contributes to the goals of the Union external action, noting in particular its economic, social and environmental impact;***

Amendment 78

Proposal for a decision

Article 11 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) any framework agreement concluded between the EIB and a recipient country.

Amendment 79

Proposal for a decision

Article 12

Text proposed by the Commission

Amendment

In its financing operations, the EIB shall not tolerate any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the EU. In particular the EIB shall not participate in any financing operation implemented in an eligible country through a foreign non-cooperative jurisdiction identified as such by the ***OECD, the Financial Action Task Force or other relevant international organisations.***

In its financing operations, the EIB shall not tolerate any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the EU. In particular the EIB shall not participate in any financing operation implemented in an eligible country through a foreign non cooperative jurisdiction identified as such by the ***Union, the United Nations, the OECD or the FATF.***

Amendment 80

Proposal for a decision

Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

In particular, the EIB shall look at the possibility for EIB beneficiaries, whether corporations or financial intermediaries that are incorporated in different

jurisdictions, to disclose country-level information about their sales, assets, employees, profits and tax payments in each country in which they operate in their audited annual reports.

)

Amendment 81

Proposal for a decision

Article 12 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

In its financing operations, the EIB shall apply the principles and standards of Directive 2005/60/EC of the European Parliament and of the Council^{17a}.

^{17a} Directive 2005/60/EC of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (OJ L 309, 25.11.2005, p.15).

Amendment 82

Proposal for a decision

Article 14 – paragraph 1

Text proposed by the Commission

Amendment

1. Where the Commission makes any payment under the EU guarantee, the EIB shall, in the name and on behalf of the **Commission**, pursue the recovery of claims for the amounts paid.

1. Where the Commission makes any payment under the EU guarantee, the EIB shall, in the name and on behalf of the **Union**, pursue the recovery of claims for the amounts paid.

Amendment 83
Proposal for a decision
Article 14 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. In the interests of transparency, the Commission shall make publicly available on its website specific information relating to all cases of recoveries under the guarantee agreement referred to in Article 13 unless confidentiality is necessary.

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Amendment 84

Proposal for a decision
Article 16 – paragraph 1

Text proposed by the Commission

Amendment

1. The EIB shall inform OLAF immediately when, at any stage of the preparation, implementation or closure of projects subject to the EU guarantee, it detects a potential case of fraud, corruption or other illegal activity that may affect the financial interests of the EU.

1. The EIB shall inform OLAF immediately when, at any stage of the preparation, implementation or closure of projects subject to the EU guarantee, it detects a potential case of fraud, corruption, ***money laundering*** or other illegal activity that may affect the financial interests of the EU ***or of its Member States. The EIB shall pay particular attention to information by whistleblowers regarding potential cases of fraud, corruption or other illegal activity, allowing for a proper follow-up, feedback and protection against retaliation.***

Amendment 85

Proposal for a decision
Article 16 – paragraph 2

Text proposed by the Commission

Amendment

2. OLAF may carry out investigations,

2. OLAF may carry out investigations,

including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations.

including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption, **money laundering** or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations. ***If the financial interests of a Member State are involved, OLAF shall inform the government of that Member State immediately. Where corruption is proven, the EIB shall assist asset recovery efforts by disclosing to the relevant authorities any assets held by the EIB that relate to such corruption or that derive from it.***

Amendment 86

Proposal for a decision

Article 16 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The contracts signed in relation to projects subject to the EU guarantee shall include stringent clauses enabling the suspension of financing support from the EIB to the promoters and financial intermediaries of projects, where fraud, corruption or other illegal activity are under formal investigation, and the cancellation of such support in the event of such illegal activity being proven.

Amendment 87

Proposal for a decision

Article 16 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. The EIB shall designate an anti-corruption officer who serves as contact point for all stakeholders, including concerned populations and organised civil society as well as internally.

Amendment 88

Proposal for a decision Article 18 – paragraph 1

Text proposed by the Commission

By **31 December 2017**, the Commission shall submit to the European Parliament and the Council a mid-term report evaluating the implementation of this Decision in the first years accompanied, **where appropriate**, by a proposal for its amendment. The report shall draw upon an external evaluation and contribution from the EIB.

Amendment

By **30 June 2016**, the Commission shall submit to the European Parliament and the Council a mid-term report evaluating the implementation of this Decision in the first years accompanied, by a proposal for its amendment. The report shall draw upon an **independent** external evaluation and contribution from the EIB **as well as an assessment of the application of the method referred to in Article 8(5). The Commission's mid-term report shall contain a detailed account of the criteria in accordance with which the first years of implementation of this Decision have been assessed. It shall also contain a detailed account of the criteria for deciding to what extent the optional amount referred to in Article 2(1)(b) is to be activated. This shall ensure that, in the whole second half of its mandate, the EIB can operate with a budget in which any changes due to the mid-term review are already taken into account.**

Amendment 89

Proposal for a decision Annex I – point A

Text proposed by the Commission

A. Pre-accession countries: EUR **8 400** 000 000;

Amendment

A. Pre-accession countries: EUR **9 072** 000 000;

Amendment 90

Proposal for a decision

Annex I – point B – introductory part

Text proposed by the Commission

B. Neighbourhood and Partnership countries: EUR **12 400** 000 000, broken down into the following indicative sub-ceilings:

Amendment

B. Neighbourhood and Partnership countries: EUR **13 392** 000 000, broken down into the following indicative sub-ceilings:

Amendment 91

Proposal for a decision

Annex I – point B – point i

Text proposed by the Commission

(i) Mediterranean countries: EUR **8 400** 000 000;

Amendment

(i) Mediterranean countries: EUR **9 072** 000 000;

Amendment 92

Proposal for a decision

Annex I – point B – point ii

Text proposed by the Commission

(ii) Eastern Europe, Southern Caucasus and Russia: EUR **4 000** 000 000;

Amendment

(ii) Eastern Europe, Southern Caucasus and Russia: EUR **4 320** 000 000;

Amendment 93

Proposal for a decision

Annex I – point C – introductory part

Text proposed by the Commission

C. Asia and Latin America: EUR 3 **600** 000 000, broken down into the following indicative sub-ceilings:

Amendment

C. Asia and Latin America: EUR 3 **888** 000 000, broken down into the following indicative sub-ceilings:

Amendment 94

Proposal for a decision

Annex I – point C – point i

Text proposed by the Commission

(i) Latin America: EUR 2 **150 000 000**;

Amendment

(i) Latin America: EUR 2 **322 000 0000**;

Amendment 95

Proposal for a decision

Annex I – point C – point ii

Text proposed by the Commission

(ii) Asia: EUR 1 **200** 000 000;

Amendment

(ii) Asia: EUR 1 **296** 000 000;

Amendment 96

Proposal for a decision

Annex I – point C – point iii

Text proposed by the Commission

(iii) Central Asia: EUR **250** 000 000

Amendment

(iii) Central Asia: EUR **270** 000 000

Amendment 97

Proposal for a decision

Annex I – point D – introductory part

Text proposed by the Commission

D. South Africa: EUR **600** 000 000.

Amendment

D. South Africa: EUR **648** 000 000.

Amendment 98

Proposal for a decision

Annex III – point C – point 2 – paragraph 1

Text proposed by the Commission

Bangladesh, Brunei, Cambodia, China (including Hong Kong and Macao Special Administrative Regions), India, Indonesia, Iraq, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand, Vietnam, Yemen

Amendment

Bangladesh, **Bhutan**, Brunei, Cambodia, China (including Hong Kong and Macao Special Administrative Regions), India, Indonesia, Iraq, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand, Vietnam, Yemen

EXPLANATORY STATEMENT

The EU guarantee for the EIB's external operations combines efficiently EU budgetary funds, through the provisioning of the Guarantee Fund for external actions, with EIB own resources, with the aim of achieving EU external policy objectives.

The proposed new decision will cover the EU guarantee for EIB external financing operations over the period beginning on 1 January 2014 and ending on 31 December 2020.

Your rapporteur, building on his previous experience as rapporteur of the Decision currently in force, would like to propose adjustments to the Commission proposal.

He draws attention to the fact that the EU will significantly reduce its investments in the Balkans, in the countries of the Eastern Partnership and in North Africa.

The reduction of investment is the result of the cuts in the long-term EU budget, which will affect all the policies of the Union. Financial restrictions in the next budget period will entail a reduction of the annual external lending budget of the EIB of an average of 4.2 billion to 3.6 billion per year which will affect all activities of the institution.

According to the new MFF 2014-2020 the Mandate of the EIB for its new external mandate will cover 25 billion, while the previous 7 years, it covered to 29.5 billion. Your rapporteur insists to maintain the EIB financing in the next funding period.

- The Commission's proposal includes essential elements already present in the current mandate regarding, for instance, references to the contribution of the EIB's financing activities to the general principles guiding the Union's external action, reporting requirements, the necessity to assess development impact, or public participation.
- It is nevertheless important also to further deepen cooperation between the Commission and EEAS.
- The provisions concerning support to SMEs through intermediate lending should better reflect the need for development impacts, local ownership and transparency.
- The reference to the recently adopted EU Strategic framework and action plan on Human Rights and Democracy is another positive element, as well as the option chosen by the Commission to focus the mandate of the EIB on less creditworthy beneficiaries where the use of the guarantee would provide the highest added value.
- Your rapporteur considers it essential to attach additional reporting requirements - it must always be clear who the final beneficiary of EIB financing is. A key element in the new decision is therefore the implementation of a list of final borrowers and its public accessibility.
- Your rapporteur welcomes the newly increased focus on the fields of climate change mitigation and adaptation, but it is necessary to take greater account on environmental standards as well as eligibility criteria of a country to receive EIB financing for climate-

change mitigation - to prioritise the phasing out of environmentally or economically harmful subsidies.

- Your rapporteur welcomes the setting up of the EU Platform for Blending in External Policies concerning the blending of grants and loans.
- Your rapporteur supports and encourages the Bank's zero tolerance policy towards any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the EU.

14.10.2013

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Budgets

on the proposal for a decision of the European Parliament and of the Council on granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union
(COM(2013)0293 – C7-0145/2013 – 2013/0152(COD))

Rapporteur: Jacek Protasiewicz

SHORT JUSTIFICATION

The purpose of this decision is to renew and revise the budgetary guarantee granted by the EU to the European Investment Bank (EIB) for risks of a sovereign and political nature in connection with its operations carried out outside the EU.

The EIB is a powerful external intervention instrument whose task is to promote European values and interests in the rest of the world and to contribute to international cooperation and development. The improvement of the EIB's functioning in this regard has been closely followed and supported by Parliament over recent years.

The Commission in its proposal correctly notes the importance of linking the activities of the EIB to the general principles guiding European external actions as outlined in Article 21 TEU. However, it is of high importance to emphasise and strengthen this linkage in practice and to make clear that it is the main incentive for the provision of the guarantee. For this purpose, it is of particular importance to further deepen cooperation between the Commission and EEAS at all stages of the loan process to ensure the best possible complementarity and consistency.

Transparency and responsiveness also remain relevant concerns. In particular, the EIB should in its annual reports make clearer how its operations are in line with the principles of EU external action, it should discuss with Parliament major changes of its operating guidelines and should consult more closely with stakeholders affected by the projects it is financing, trying to be as inclusive as possible in this process. For all projects, relevant information, in particular pertaining to how the project supports the principles guiding the EU's external action, should be made publicly accessible as long it does not undermine the confidentiality necessary for business transactions.

The EIB should furthermore diversify its use of local partners and provide advice, where

possible, for the establishment of regulatory structures in local financial sectors that permit it to invest in accordance with its guidelines. Such efforts should also be made to permit the use of instruments like local currency loans and bonds.

AMENDMENTS

The Committee on Foreign Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision

Recital 1

Text proposed by the Commission

(1) In addition to its core mission of financing investment in the Union, the European Investment Bank (EIB) undertakes financing operations outside the Union in support of the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to the general principles and policy objectives of the Union.

Amendment

(1) In addition to its core mission of financing investment in the Union, the European Investment Bank (EIB) undertakes financing operations outside the Union in support of the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to, ***supports and complements the external actions of the EU by paying full respect to*** the general principles and policy objectives of the Union ***as stated in Article 21 TEU***.

Amendment 2

Proposal for a decision

Recital 3

Text proposed by the Commission

(3) With a view to supporting Union external action, and in order to enable the EIB to finance investments outside the Union without affecting the credit standing

Amendment

(3) With a view to supporting Union external action, and in order to enable the EIB to finance investments outside the Union without affecting the credit standing

of the EIB, the majority of its operations outside the Union have benefited from an EU budgetary guarantee ('EU guarantee') administered by the Commission.

of the EIB, the majority of its operations outside the Union have benefited from an EU budgetary guarantee ('EU guarantee') administered by the Commission. ***It is of high importance that the EIB maintains its triple-A rating.***

Amendment 3

Proposal for a decision Recital 7

Text proposed by the Commission

(7) In order to reflect significant policy developments, the list of countries actually eligible for EIB financing operations under the EU guarantee should be reviewed as appropriate and the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amendments to Annex III to this Decision. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.

Amendment

(7) In order to reflect significant policy developments, the list of countries actually eligible for EIB financing operations under the EU guarantee should be reviewed as appropriate and the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of amendments to Annex III to this Decision. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of ***all*** relevant documents to the European Parliament and Council.

Amendment 4

Proposal for a decision Recital 9

Text proposed by the Commission

(9) The amounts covered by the EU guarantee in each region should continue to represent ceilings for the EIB financing under the EU guarantee and not targets that the EIB is required to meet. The ceilings should be evaluated as part of the mid-term

Amendment

(9) The amounts covered by the EU guarantee in each region should continue to represent ceilings for the EIB financing under the EU guarantee and not targets that the EIB is required to meet. The ceilings should be evaluated as part of the mid-term

review of this Decision.

review of this Decision. ***Changes to the list of eligible regions and countries in Annex III should be taken into account when adjusting regional ceilings.***

Amendment 5

Proposal for a decision Recital 11

Text proposed by the Commission

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. In order to effectively reach out to SMEs, the EIB ***should*** cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance.

Amendment

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. In order to effectively reach out to SMEs, the EIB ***may*** cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance. ***In its cooperation agreements with local financial intermediary institutions, the EIB must ensure that projects funded by intermediaries, including those with SMEs, do not conflict with the Bank's normal criteria or the Union's external policy goals.***

Amendment 6

Proposal for a decision Recital 13

Text proposed by the Commission

(13) The EIB should continue to finance investment projects in the areas of social, environmental ***and*** economic infrastructure, and should consider

Amendment

(13) The EIB should continue to finance investment projects in the areas of social, environmental, economic ***and transport*** infrastructure, and should consider

increasing its activity in support of health and education infrastructure when there is clear added value in doing so.

increasing its activity in support of health and education infrastructure when there is clear added value in doing so. ***The EIB should continue to also provide projects with technical advice and assistance, as this support has an important role in the improvement and quality control of projects.***

Amendment 7

Proposal for a decision

Recital 14

Text proposed by the Commission

(14) The EIB should also ***continue to finance*** investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale.

Amendment

(14) The EIB should also ***increase its financing of*** investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale.

Amendment 8

Proposal for a decision

Recital 15 a (new)

Text proposed by the Commission

Amendment

(15 a) When supporting climate change mitigation projects, the EIB should take into consideration the conclusions of the European Council of 22 May 2013 regarding the need to prioritise the phasing out of environmentally or economically harmful subsidies, including for fossil fuels.

Amendment 9

Proposal for a decision Recital 16

Text proposed by the Commission

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be reviewed and further updated following the review of this Decision in order to ***adapt to the*** developments in the Union external policies and priorities.

Amendment

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be reviewed and further updated following the ***mid-term*** review of this Decision in order to ***reflect*** developments in the Union external policies and ***its*** priorities.

Amendment 10

Proposal for a decision Recital 18

Text proposed by the Commission

(18) While the EIB's strength remains its distinctiveness as an investment bank, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. In particular, ***in*** relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, the campaign against poverty, as

Amendment

(18) While the EIB's strength remains its distinctiveness as an investment bank, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, ***the building of partnerships with third countries*** and to the implementation of international ***commitments and agreements, including*** environmental agreements to which the Union is a party. ***Careful consideration should therefore be given when placing countries in Annex III to those countries' records regarding democracy, human rights and fundamental freedoms, regardless of whether EU sanctions or***

well as compliance with objectives approved by the Union in the context of the United Nations and other *competent* international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should strive to support indirectly the achievement of the UN's 2015 Millennium Development Goals in all regions where it is active.

restrictive measures are in force. In particular, *the EIB should contribute to economic, financial and technical cooperation with third countries in accordance with Article 212 TFEU.* In relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, the campaign against poverty, as well as compliance with objectives approved by the Union in the context of the United Nations and other *relevant* international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should strive to support indirectly the achievement of the UN's 2015 Millennium Development Goals in all regions where it is active.

Amendment 11

Proposal for a decision

Recital 19

Text proposed by the Commission

(19) The EIB activity under this Decision should support the Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and

Amendment

(19) The EIB activity under this Decision should support the Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and

international environmental agreements including biodiversity commitments. It should be implemented through a number of concrete measures, in particular by reinforcing the EIB's capacity to appraise environmental, social **and development** aspects of investment projects, including human rights and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, **where appropriate and** in line with the Union's social and environmental **principles**, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

international environmental agreements including biodiversity commitments. It should be implemented through a number of concrete measures, in particular by reinforcing the EIB's capacity to appraise environmental, social, **development and economic** aspects of investment projects, including **explicitly** human rights, **fundamental freedoms** and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should in line with the **principles of the** Union's **human rights**, social and environmental **legislation**, require the investment project promoter to carry out local consultations **with all stakeholders concerned** and disclose their results to the public. EIB financing agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

Amendment 12

Proposal for a decision

Recital 20

Text proposed by the Commission

(20) At all levels, from upstream strategic planning to downstream investment project

Amendment

(20) At all levels, from upstream strategic planning to downstream investment project

development, it should be ensured that EIB financing operations comply with and support Union external policies and the general objectives set out in this Decision. With a view to increasing the coherence of Union external action, dialogue on policy and strategy should be further strengthened between the Commission and the EIB, including the European External Action Service (EEAS). The Memorandum of Understanding to be revised in 2013 to enhance cooperation and early mutual exchange of information between the Commission and the EIB at operational level should continue to be applied. It is of particular importance to have an early exchange of views between the Commission and the EIB, including the EEAS, as appropriate, in the process of preparing programming documents in order to maximise synergies between their activities. The cooperation in relation to the respect of human rights and conflict prevention issues should also be reinforced.

development, it should be ensured that EIB financing operations comply with and support Union external policies and the general objectives set out in this Decision. With a view to increasing the coherence of Union external action, dialogue on policy and strategy should be further strengthened between the Commission and the EIB, including the European External Action Service (EEAS), ***while keeping the European Parliament duly informed.*** The Memorandum of Understanding to be revised in 2013 to enhance cooperation and early mutual exchange of information between the Commission and the EIB at operational level should continue to be applied. It is of particular importance to have an early exchange of views between the Commission and the EIB, including the EEAS, as appropriate, in the process of preparing programming documents in order to maximise synergies between their activities. ***The EIB should further promote the practice of locating its field offices in EU delegations to improve this cooperation and share operating costs.*** The cooperation in relation to the respect of human rights ***fundamental freedoms*** and conflict prevention issues should also be reinforced.

Amendment 13

Proposal for a decision Recital 21

Text proposed by the Commission

(21) Union external relations should be supported by new instruments from 2014, including an umbrella Regulation establishing common rules and procedures for the implementation of the Union's instruments for external action. With a view to enhancing the coherence of overall Union support in the regions concerned, ***opportunities should be seized to combine***

Amendment

(21) Union external relations should be supported by new instruments from 2014, including an umbrella Regulation establishing common rules and procedures for the implementation of the Union's instruments for external action. With a view to enhancing the coherence of overall Union support in the regions concerned, EIB financing ***should be combined*** with

EIB financing with Union budgetary resources when and as appropriate, in the form of financial instruments provided for in Title VIII of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 and technical assistance for project preparation and implementation, through the Instrument for Pre-Accession Assistance II (IPA II), the European Neighbourhood Instrument (ENI), the Development Cooperation Instrument (DCI), the Partnership Instrument for cooperation with third countries, the Instrument for the promotion of Democracy and Human Rights worldwide, the Instrument for Stability, and the Instrument for Nuclear Safety Cooperation. Following Decision No 1080/2011/EU, the Commission established an EU Platform for Blending in External Cooperation with a view to optimising the functioning of mechanisms for the blending of grants and loans outside the Union.

Union budgetary resources when and as appropriate, in the form of financial instruments provided for in Title VIII of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 and technical assistance for project preparation and implementation, through the Instrument for Pre-Accession Assistance II (IPA II), the European Neighbourhood Instrument (ENI), the Development Cooperation Instrument (DCI), the Partnership Instrument for cooperation with third countries, the Instrument for the promotion of Democracy and Human Rights worldwide, the Instrument for Stability, and the Instrument for Nuclear Safety Cooperation. Following Decision No 1080/2011/EU, the Commission established an EU Platform for Blending in External Cooperation with a view to optimising the functioning of mechanisms for the blending of grants and loans outside the Union. ***The participation of the EIB in blending mechanisms should be fully in line with the EU's external policy objectives, aid effectiveness principles and transparency.***

Amendment 14

Proposal for a decision

Recital 22

Text proposed by the Commission

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation with European Financial Institutions and International Financial Institutions, notably those participating in the EU Platform for Blending in External Cooperation. This

Amendment

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation with European Financial Institutions and International Financial Institutions, notably those participating in the EU Platform for Blending in External Cooperation. This

cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. The tripartite Memorandum of Understanding between the Commission, the EIB Group and the European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European Financial Institutions and International Financial Institutions.

cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. ***Cooperation should be firmly based on the principle of reciprocity.*** The tripartite Memorandum of Understanding between the Commission, the EIB Group and the European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European, ***multi- and bilateral***, Financial Institutions and International Financial Institutions, ***including regarding consistency with EU external policy objectives, aid effectiveness principles and transparency.***

Amendment 15

Proposal for a decision

Recital 23

Text proposed by the Commission

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations,

Amendment

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations,

where the EU guarantee therefore provides greater added value. Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, including in support of Union economic interests, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into account its own risk absorption capacity.

where the EU guarantee therefore provides greater added value. ***The EIB should be encouraged to focus its operations where it can have the highest impact in terms of sustainable economic, social and environmental development.***

Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, including in support of Union economic interests, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into account its own risk absorption capacity.

Amendment 16

Proposal for a decision Recital 24

Text proposed by the Commission

(24) The EIB should expand the range of innovative financial instruments it offers, including by focusing more on developing guarantee instruments. Moreover, the EIB should actively seek to participate in risk sharing instruments and debt capital market financing of projects with stable and predictable cash flow generation. In particular, it should consider supporting debt capital market instruments issued or granted for the benefit of an investment project carried out in the eligible countries. In addition, the EIB should increase its provision of loans in local currencies and issue bonds in local markets, provided that beneficiary countries put in place the necessary structural reforms, in particular in the financial sector, as well as other measures to facilitate EIB activities.

Amendment

(24) The EIB should expand the range of innovative financial instruments it offers, including by focusing more on developing guarantee instruments. Moreover, the EIB should actively seek to participate in risk sharing instruments and debt capital market financing of projects with stable and predictable cash flow generation. In particular, it should consider supporting debt capital market instruments issued or granted for the benefit of an investment project carried out in the eligible countries. In addition, the EIB should increase its provision of loans in local currencies and issue bonds in local markets, provided that beneficiary countries put in place the necessary structural reforms, in particular in the financial sector, as well as other measures to facilitate EIB activities. ***The EIB should explore opportunities for cooperation with the Commission and the EEAS to support local authorities in carrying out the necessary reforms in***

their financial sector.

Amendment 17

Proposal for a decision

Recital 25

Text proposed by the Commission

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound banking practice. They should continue to be managed in accordance with the EIB's own rules and procedures, including appropriate control measures and compliance with the EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the European Anti-Fraud Office (OLAF). In its financing operations the EIB should adequately implement its policies towards weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering.

Amendment

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound banking practice. They should continue to be managed in accordance with the EIB's own rules and procedures, including appropriate control measures and compliance with the EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the European Anti-Fraud Office (OLAF). In its financing operations the EIB should adequately implement its policies towards weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering. ***The EIB should also, as far as possible, increase the diversification of its financial partners in the countries in which it operates and encourage the establishment of public-private partnerships.***

Amendment 18

Proposal for a decision

Article 1 – paragraph 5

Text proposed by the Commission

5. If, on expiry of the period referred to in paragraph 4, the European Parliament and the Council have not adopted a decision granting a new EU guarantee to the EIB against losses under its financing

Amendment

5. If, on expiry of the period referred to in paragraph 4, the European Parliament and the Council have not adopted a decision granting a new EU guarantee to the EIB against losses under its financing

operations outside the Union, that period shall be automatically extended by **six** months.

operations outside the Union, that period shall be automatically extended by **twelve** months. ***The Commission shall present its proposal for a decision for a new guarantee no less than 18 months in advance of the expiry of this guarantee.***

Justification

There needs to be sufficient time to decide on a new guarantee to avoid the risk of the guarantee expiring before a new decision is taken

Amendment 19

Proposal for a decision Article 2 – paragraph 1

Text proposed by the Commission

1. The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-2020 shall not exceed **EUR 28 000 000 000**. Amounts cancelled shall not count against the ceiling.

This maximum ceiling shall be broken down into:

- (a) a fixed ceiling of a maximum amount of **EUR 25 000 000 000**;
- (b) an optional additional amount of **EUR 3 000 000 000**.

The activation in whole or in part of the amount referred to in point (b) and its regional distribution shall be decided following the mid-term review in accordance with Article 18.

Amendment

1. The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-2020 shall not exceed **EUR 30 000 000 000¹**. Amounts cancelled shall not count against the ceiling.

This maximum ceiling shall be broken down into:

- (a) a fixed ceiling of a maximum amount of **EUR 26 000 000 000**;
- (b) an optional additional amount of **EUR 4 000 000 000**.

The activation in whole or in part of the amount referred to in point (b) and its regional distribution shall be decided following the mid-term review in accordance with Article 18.

¹ The budget implications of this new level of the ceiling shall not imply any redeployment from other instruments in Heading 4.

Amendment 20

Proposal for a decision

Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) development of social, environmental **and economic** infrastructure;

Amendment

(b) development of social, environmental, **economic and transport** infrastructure;

Amendment 21

Proposal for a decision

Article 3 – paragraph 2

Text proposed by the Commission

2. EIB financing operations carried out under this Decision shall contribute to the general principles guiding Union external action, as referred to in Article 21 TEU and shall contribute to the implementation of international environmental agreements to which the Union is a party.

Amendment

2. EIB financing operations carried out under this Decision shall **always support and** contribute to the general principles guiding Union external action, as referred to in Article 21 TEU and shall contribute to the implementation of international **commitments and agreements including** environmental agreements to which the Union is a party.

Amendment 22

Proposal for a decision

Article 3 – paragraph 3

Text proposed by the Commission

3. Regional integration among countries, **including** economic integration between Pre-accession countries, Neighbourhood countries and the Union, shall be an underlying objective for EIB financing operations within areas covered by the general objectives as defined in paragraph 1.

Amendment

3. Regional integration among countries, **including in particular** economic integration between Pre-accession countries, Neighbourhood countries and the Union, shall be an underlying objective for EIB financing operations within areas covered by the general objectives as defined in paragraph 1.

Amendment 23

Proposal for a decision Article 3 – paragraph 4

Text proposed by the Commission

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, EIB financing operations shall contribute *indirectly to the* objectives of the *Union policy in development cooperation* as referred to in *Article 208* TFEU.

Amendment

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, *the* EIB financing operations shall contribute, *under the terms laid down in its statute, to the implementation of the measures, adopted by the European Parliament and the Council, necessary for the implementation of development cooperation policy, within the framework of the principles and* objectives of the *Union's external action* as referred to in *Articles 208 and 209* TFEU.

Amendment 24

Proposal for a decision Article 3 – paragraph 5

Text proposed by the Commission

5. EIB financing operations supporting the objectives provided for in paragraph 1(a) may include support to investment projects by SMEs from the Union.

Amendment

5. EIB financing operations supporting the objectives provided for in paragraph 1(a) may include support to investment projects by SMEs from the Union. *The EIB shall aim at strengthening the local private sector in beneficiary countries.*

Amendment 25

Proposal for a decision Article 3 – paragraph 6

Text proposed by the Commission

6. EIB financing operations supporting the

Amendment

6. EIB financing operations supporting the

objectives provided for in paragraph 1(b) shall support investment projects in the areas of transport, energy, including renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, energy security and energy infrastructure, including **for** gas production and transportation to EU energy market, environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education.

objectives provided for in paragraph 1(b) shall support investment projects in the areas of transport, energy, including renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, **sustainable** energy security and energy infrastructure, including gas production and transportation to EU energy market, **electricity transmission infrastructure, in particular interconnections that facilitate the integration of electricity from renewable sources sustainable** environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education. **Priority consideration should be given to infrastructure projects connecting the Union and third countries which provide mutual economic, development, social and environmental benefits.**

Amendment 26

Proposal for a decision Article 3 – paragraph 7

Text proposed by the Commission

7. EIB financing operations supporting the objectives provided for in paragraph 1(c) shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities. Over the period covered by the Decision, the volume of

Amendment

7. EIB financing operations supporting the objectives provided for in paragraph 1(c) shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on **highly fragile natural environments**, vulnerable countries, sectors and communities -

these operations shall represent at least **25%** of total EIB financing operations.

*especially in the **Russia-EU high north border region***. Over the period covered by the Decision, the volume of these operations shall represent at least **30%** of total EIB financing operations.

Amendment 27

Proposal for a decision Article 3 – paragraph 8

Text proposed by the Commission

8. In line with Union and international climate change objectives, before the end of 2016, the EIB, in cooperation with the Commission and following a public consultation, shall update its climate change strategy as regards EIB financing operations.

Amendment

8. In line with Union and international climate change objectives, before the end of 2016, the EIB, in cooperation with the Commission and following a public consultation, shall update its climate change strategy as regards EIB financing operations. ***This update shall inter alia integrate concrete actions to phase out financing projects detrimental to the achievement of EU's climate objectives and step up efforts to support renewable energy sources and energy efficiency.***

Amendment 28

Proposal for a decision Article 4 – paragraph 2

Text proposed by the Commission

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 concerning amendments to Annex III. The Commission's decisions shall be based on an overall economic and political assessment, ***including aspects related to the*** democracy, human rights and fundamental freedoms as well as the relevant European Parliament resolutions and Council decisions and conclusions.

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 concerning amendments to Annex III. The Commission's decisions shall be based on an overall economic and political assessment, ***with significant consideration given in particular to aspects related to*** democracy, human rights and fundamental freedoms as well as ***to*** the relevant European Parliament resolutions

and Council decisions and conclusions.

Amendment 29

Proposal for a decision

Article 5 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. The Commission shall update, together with the EIB, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision.

Amendment

1. The Commission shall update, together with the EIB ***and in close cooperation with the EEAS***, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision.

Amendment 30

Proposal for a decision

Article 5 – paragraph 1 – subparagraph 3

Text proposed by the Commission

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions. The EEAS shall also be consulted on policy issues, ***as appropriate***.

Amendment

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions. The EEAS shall also be consulted on policy issues, ***and the EIB shall engage with the relevant committees of the European Parliament***.

Amendment 31

Proposal for a decision

Article 7 – paragraph 1

Text proposed by the Commission

1. EIB financing operations shall be carried out, where appropriate, in cooperation with other European Financial Institutions ***and*** International Financial Institutions in order to maximise synergies, cooperation and efficiency, to develop jointly innovative

Amendment

1. EIB financing operations shall be carried out, where appropriate, in cooperation with other European ***multilateral and bilateral*** Financial Institutions, International Financial Institutions ***and regional development banks*** in order to maximise

financial instruments, to ensure prudent and reasonable sharing of risks and coherent investment project and sector conditionality, and in order to minimise possible duplication of costs and unnecessary overlap.

synergies, cooperation and efficiency, to develop jointly innovative financial instruments, to ensure prudent and reasonable sharing of risks and coherent investment project and sector conditionality, and in order to minimise possible duplication of costs and unnecessary overlap.

Amendment 32

Proposal for a decision Article 8 – paragraph 5

Text proposed by the Commission

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee.

Amendment

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a **clear and transparent** method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee.

Amendment 33

Proposal for a decision Article 9 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The EIB shall carry out thorough due diligence and, **where appropriate** in line with Union social and environmental

Amendment

The EIB shall carry out thorough due diligence and, in line with **the principles of** Union social and environmental

principles, require appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee.

legislation, require appropriate local public consultation ***with all relevant stakeholders***, on ***economic, social, human rights, environmental and*** development-related aspects of investment projects covered by the EU guarantee.

Amendment 34

Proposal for a decision

Article 9 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights and conflict prevention, to ensure that only investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

Amendment

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights, ***fundamental freedoms, labour, social and environmental rights*** and conflict prevention ***in line with the principles of the Union and its relevant legislation***, to ensure that only investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

Amendment 35

Proposal for a decision

Article 9 – paragraph 2

Text proposed by the Commission

2. In addition to the *ex-ante* assessment of development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, *inter alia*, on the development, environmental and human rights impact of the investment project. The EIB shall verify the information

Amendment

2. In addition to the *ex-ante* assessment of development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, *inter alia*, on the ***economic, development, social,*** environmental and human rights impact of the investment project. The EIB shall

provided by the project promoters.

systematically verify the information provided by the project promoters ***and make it publicly available after signature if the promoter agrees. Where possible, completion reports shall be issued for projects covered by EU guarantees.***

Amendment 36

Proposal for a decision Article 10 – paragraph 2

Text proposed by the Commission

2. For the purposes of the Commission's reporting referred to in paragraph 1, the EIB shall provide the Commission with yearly reports on EIB financing operations carried out under this Decision including all necessary elements allowing the Commission to report in accordance with paragraph 1. The EIB may also provide to the Commission additional information relevant for the Council and the European Parliament to have a comprehensive overview of EIB external activity.

Amendment

2. For the purposes of the Commission's reporting referred to in paragraph 1, the EIB shall provide the Commission with yearly reports on EIB financing operations carried out under this Decision ***and their contribution to the general principles guiding the Union's external action*** including all necessary elements allowing the Commission to report in accordance with paragraph 1. The EIB may also provide to the Commission additional information relevant for the Council and the European Parliament to have a comprehensive overview of EIB external activity.

Amendment 37

Proposal for a decision Article 10 – paragraph 5

Text proposed by the Commission

5. The EIB shall provide the Commission, at least on a yearly basis, an indicative multiannual programme of the planned volume of signatures of EIB financing operations, so as to ensure compatibility of the EIB's forecast financing with the ceilings established in this Decision and for the Commission to ensure appropriate budgetary planning for provisioning the

Amendment

5. The EIB shall provide the Commission, at least on a yearly basis, an indicative multiannual programme of the planned volume of signatures of EIB financing operations, so as to ensure compatibility of the EIB's forecast financing with the ceilings established in this Decision and for the Commission to ensure appropriate budgetary planning for provisioning the

Guarantee Fund. The Commission shall take account of this forecast when preparing the draft budget.

Guarantee Fund. The Commission shall take account of this forecast when preparing the draft budget. ***On the basis of the annual reporting by the EIB, the Commission shall present each year to the Council and the European Parliament its own evaluation and suggest, if necessary, ways of improving compliance. An evaluation of this reporting, including ways to improve it, shall be provided during the mid-term review.***

Amendment 38

Proposal for a decision Article 10 – paragraph 6

Text proposed by the Commission

6. The EIB shall continue to provide the European Parliament, the Council and the Commission with all its independent evaluation reports which assess the practical results achieved by the specific activities of the EIB under this Decision and other external mandates.

Amendment

6. The EIB shall continue to ***systematically*** provide the European Parliament, the Council and the Commission with all its independent evaluation reports which assess the practical results achieved by the specific activities of the EIB under this Decision and other external mandates.

Amendment 39

Proposal for a decision Article 11 – paragraph 1 – introductory part

Text proposed by the Commission

1. In accordance with ***its own transparency policy***, the EIB shall make publicly available on its website information relating to:

Amendment

1. In accordance with ***EU legislation on access to documents and information***, the EIB shall make publicly available on its website information relating to:

Amendment 40

Proposal for a decision

Article 11 – paragraph 1 – point a

Text proposed by the Commission

(a) all EIB financing operations carried out under this Decision, in particular indicating whether an investment project is covered by the EU guarantee;

Amendment

(a) all EIB financing operations carried out under this Decision, in particular indicating whether an investment project is covered by the EU guarantee ***and how it contributes to the goals of the external action of the Union, noting in particular its economic, social and environmental impact;***

Amendment 41

Proposal for a decision

Article 11 – paragraph 1 – point b

Text proposed by the Commission

(b) ***unless confidentiality requirements apply***, any memoranda of understanding between the EIB and other European Financial Institutions or International Financial Institutions having a bearing on EIB financing operations under this Decision.

Amendment

(b) any memoranda of understanding between the EIB and other European Financial Institutions or International Financial Institutions having a bearing on EIB financing operations under this Decision.

Amendment 42

Proposal for a decision

Article 11 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(b a) framework agreements concluded between the EIB and a recipient country.

Amendment 43

Proposal for a decision

Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

In its financing operations, the EIB should apply the principles and standards of Directive 2005/60/EC of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing¹.

¹ OJ L 309, 25.11.2005, p.15.

Amendment 44

Proposal for a decision

Article 14 – paragraph 1

Text proposed by the Commission

Amendment

1. Where the Commission makes any payment under the EU guarantee, the EIB shall, in the name and on behalf of the **Commission**, pursue the recovery of claims for the amounts paid.

1. Where the Commission makes any payment under the EU guarantee, the EIB shall, in the name and on behalf of the **EU**, pursue the recovery of claims for the amounts paid.

Amendment 45

Proposal for a decision

Article 16 – paragraph 1

Text proposed by the Commission

Amendment

1. The EIB shall inform OLAF immediately when, at any stage of the preparation, implementation or closure of projects subject to the EU guarantee, it detects a potential case of fraud, corruption or other illegal activity that may affect the financial interests of the EU.

1. The EIB shall inform OLAF immediately when, at any stage of the preparation, implementation or closure of projects subject to the EU guarantee, it detects a potential case of fraud, corruption or other illegal activity that may affect the financial interests of the EU **or of the**

Member States. The EIB shall pay particular attention to information by whistleblowers regarding potential cases of fraud, corruption or other illegal activity, allowing for a proper follow-up, feedback and protection against retaliation.

Amendment 46

Proposal for a decision Article 16 – paragraph 2

Text proposed by the Commission

2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations.

Amendment

2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations. *If the financial interests of a Member State are involved, OLAF shall inform the government of that Member State immediately. Where corruption is proven, the EIB shall assist asset recovery efforts by disclosing to the relevant authorities any assets held by the EIB that relate to such corruption or that derive from it.*

Amendment 47

Proposal for a decision Article 18

Text proposed by the Commission

By 31 December **2017**, the Commission shall submit to the European Parliament and the Council a mid-term report evaluating the implementation of this Decision in the first years accompanied, where appropriate, by a proposal for its amendment. The report shall draw upon an external evaluation and contribution from the EIB.

Amendment

By 31 December **2016**, the Commission shall submit to the European Parliament and the Council a mid-term report evaluating the implementation of this Decision in the first years accompanied, where appropriate, by a proposal for its amendment. The report shall draw upon an external evaluation and contribution from the EIB.

Justification

It needs to be ensured that the additional EUR 3 billion in funds are released in a timely manner, if possible.

Amendment 48

Proposal for a decision Annex I

Text proposed by the Commission

A. Pre-accession countries: EUR 8 400 000 000;

B. Neighbourhood and Partnership countries: **EUR 12 400 000 000**, broken down into the following indicative sub-ceilings:

(i) Mediterranean countries: EUR 8 400 000 000;

(ii) Eastern Europe, Southern Caucasus and Russia: **EUR 4 000 000 000**;

C. Asia and Latin America: **EUR 3 600 000 000**, broken down into the following indicative sub-ceilings:

(i) Latin America: EUR 2 150 000 000;

(ii) Asia: **EUR 1 200 000 000**;

Amendment

A. Pre-accession countries: EUR 8 400 000 000;

B. Neighbourhood and Partnership countries: **EUR 13 200 000 000**, broken down into the following indicative sub-ceilings:

(i) Mediterranean countries: EUR 8 400 000 000;

(ii) Eastern Europe, Southern Caucasus and Russia: **EUR 4 800 000 000**;

C. Asia and Latin America: **EUR 3 800 000 000**, broken down into the following indicative sub-ceilings:

(i) Latin America: EUR 2 150 000 000;

(ii) Asia: **EUR 1 400 000 000**;

(iii) Central Asia: EUR 250 000 000

D. South Africa: EUR 600 000 000.

Within the overall fixed ceiling, the EIB *shall*, where appropriate, *request* the Commission to agree to reallocate an amount of up to 20 % of the sub-regional ceilings within regions and up to **10** % of the regional ceilings between regions.

(iii) Central Asia: EUR 250 000 000

D. South Africa: EUR 600 000 000.

Within the overall fixed ceiling, the EIB *may*, where appropriate, *ask* the Commission to agree to reallocate an amount of up to 20 % of the sub-regional ceilings within regions and up to **20** % of the regional ceilings between regions. ***The decision to permit or deny the reallocation shall be taken through a delegated act and, if permitted, needs to be confirmed by the EIB's governing body.***

Amendment 49

Proposal for a decision

Annex 3 – point C – point 2 – paragraph 1

Text proposed by the Commission

Bangladesh, Brunei, Cambodia, China (including Hong Kong and Macao Special Administrative Regions), India, Indonesia, Iraq, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Thailand, Vietnam, Yemen

Amendment

Bangladesh, Brunei, **Bhutan**, Cambodia, China (including Hong Kong and Macao Special Administrative Regions), India, Indonesia, Iraq, Laos, Malaysia, Maldives, Mongolia, Myanmar, Nepal, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, **Taiwan**, Thailand, Vietnam, Yemen

PROCEDURE

Title	EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union						
References	COM(2013)0293 – C7-0145/2013 – 2013/0152(COD)						
Committee responsible Date announced in plenary	BUDG 10.6.2013						
Opinion by Date announced in plenary	AFET 10.6.2013						
Rapporteur Date appointed	Jacek Protasiewicz 17.6.2013						
Date adopted	10.10.2013						
Result of final vote	<table> <tr> <td>+: </td><td>48</td></tr> <tr> <td>–: </td><td>1</td></tr> <tr> <td>0: </td><td>4</td></tr> </table>	+:	48	–:	1	0:	4
+:	48						
–:	1						
0:	4						
Members present for the final vote	Bastiaan Belder, Elmar Brok, Jerzy Buzek, Tarja Cronberg, Arnaud Danjean, Mark Demesmaeker, Marietta Giannakou, Ana Gomes, Andrzej Grzyb, Liisa Jaakonsaari, Anneli Jäätteenmäki, Jelko Kacin, Tunne Kelam, Nicole Kiil-Nielsen, Maria Eleni Koppa, Andrey Kovatchev, Paweł Robert Kowal, Eduard Kukan, Vytautas Landsbergis, Krzysztof Lisek, Sabine Lösing, Marusya Lyubcheva, Willy Meyer, Francisco José Millán Mon, Annemie Neyts-Uyttebroeck, Pier Antonio Panzeri, Ioan Mircea Pașcu, Alojz Peterle, Tonino Picula, Mirosław Piotrowski, Bernd Posselt, Hans-Gert Pötering, Cristian Dan Preda, Tokia Saïfi, György Schöpflin, Werner Schulz, Sophocles Sophocleous, Laurence J.A.J. Stassen, Charles Tannock, Nikola Vuljanić, Sir Graham Watson, Karim Zérifi						
Substitute(s) present for the final vote	Charalampos Angourakis, Jean-Jacob Bicep, Andrew Duff, Hélène Flautre, Elisabeth Jeggle, Jacek Protasiewicz, Dominique Vlasto, Paweł Zalewski						
Substitute(s) under Rule 187(2) present for the final vote	Vojtěch Mynář, Andreas Pitsillides, Vilja Savisaar-Toomast						

16.10.2013

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Budgets

on the proposal for a decision of the European Parliament and of the Council on granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union
(COM(2013)0293 – C7-0145/2013 – 2013/0152(COD))

Rapporteur: Cristian Dan Preda

SHORT JUSTIFICATION

Over time, the functioning of the EU guarantee to the EIB covering its financial operations supporting investment projects outside the Union (the external lending mandate of the EIB) has been considerably improved, with the European Parliament playing an important role in providing impetus for welcomed changes.

The Commission's proposal includes essential elements already present in the current mandate regarding, for instance, references to the contribution of the EIB's financing activities to the general principles guiding the Union's external action, as referred to in article 21 TEU, reporting requirements, the necessity to assess development impact, or public participation. The reference to the recently adopted EU Strategic framework and action plan on Human Rights and Democracy is another positive element, as well as the option chosen by the Commission to focus the mandate of the EIB on less creditworthy beneficiaries where the use of the guarantee would provide the highest added value.

There is however scope for further improvement of the external lending mandate of the EIB, in order to make sure that the activities of the Bank provide more effective support to the Union's development policies. The EIB should be encouraged to focus its operations on the countries most in need and where it can have the highest impact from a development perspective. Regarding the regional technical operational guidelines, which are a key element of this decision in order to strengthen consistency between EIB's external actions and the external policy objectives of the EU, a clear procedure should be set up for their updating. The provisions concerning support to SMEs through intermediate lending should better reflect the need for development impacts, local ownership and transparency. Last but not least, for the Committee on Development, it is essential that the EIB external mandate supports the cross-cutting development and human rights objectives and ensures positive development impacts on the ground. In order to ensure the implementation of these principles, it is

important to create a legal mechanism of assessing compliance with article 21 TFEU.

AMENDMENTS

The Committee on Development calls on the Committee on Budgets, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision Recital 1

Text proposed by the Commission

(1) In addition to its core mission of financing investment in the Union, the European Investment Bank (EIB) undertakes financing operations outside the Union in support of the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to the general principles and policy objectives of the Union.

Amendment

(1) In addition to its core mission of financing investment in the Union, the European Investment Bank (EIB) undertakes financing operations outside the Union in support of the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to the general principles and policy objectives of the Union, ***including the sustainable economic, social and environmental development of developing countries, with the primary aim of eradicating poverty.***

Amendment 2

Proposal for a decision Recital 10

Text proposed by the Commission

(10) In order to enhance the coherence and the focus of the EIB external financing activity on supporting Union policies, and for the maximum benefit of beneficiaries, Decision No 1080/2011/EU set out general

Amendment

(10) ***In order to respect developing country ownership, all EIB investments should be aligned to country owned development strategies. Against this background, in*** order to enhance the

objectives for EIB financing operations across all eligible regions and countries, i.e. local private sector development, in particular in support of small and medium-sized enterprises (SMEs), social and economic infrastructure and climate change mitigation and adaptation, building on the comparative strengths of the EIB in areas where it has a well-proven track record. These objectives should be maintained in this Decision.

coherence and the focus of the EIB external financing activity on supporting Union policies, and for the maximum benefit of beneficiaries, Decision No 1080/2011/EU set out general objectives for EIB financing operations across all eligible regions and countries, i.e. local private sector development, in particular in support of small and medium-sized enterprises (SMEs), social and economic infrastructure and climate change mitigation and adaptation, building on the comparative strengths of the EIB in areas where it has a well-proven track record. These objectives should be maintained in this Decision.

Amendment 3

Proposal for a decision

Recital 11

Text proposed by the Commission

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. ***In*** order to effectively reach out to SMEs, the EIB should cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance.

Amendment

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. ***To ensure that investments in the private sector have the greatest development impact, they should be targeted towards local enterprises within developing countries. To this end, in*** order to effectively reach out to SMEs, the EIB should cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance. ***The reliance on financial intermediaries must be complemented by increased transparency to ensure that they are engaging in programmes with clear development impacts. In particular, the***

EIB should be encouraged to work with financial intermediaries embedded in the local economy, and ensure that the projects financed through intermediaries support sustainable development and that the operations are done in a transparent manner. The EIB should also ensure that financing to the private sector goes where it is most needed, taking into account the priorities of the partner countries, whilst respecting recognized international and environmental standards.

Amendment 4

Proposal for a decision Recital 11 a (new)

Text proposed by the Commission

Amendment

(11 a) When operating under the Community guarantee, the EIB should only cooperate with financial intermediaries not operating in offshore financial centres, which are embedded in the local economy, and are equipped to implement a pro-development approach supporting the specificity of SMEs in the countries of operation. The EIB shall only cooperate with reputable financial intermediaries in terms of transparency, fraud, corruption and environmental and social impacts. A stringent list of integrity eligibility criteria for the selection of financial intermediaries shall be established by the EIB jointly with the European Commission and be publicly available.

Amendment 5

Proposal for a decision Recital 12

Text proposed by the Commission

(12) The coverage of the EU guarantee, which is limited to risks of a sovereign and political nature, is not sufficient in itself to ensure a meaningful EIB activity in support of micro-finance. Therefore such activity, where appropriate, should be carried out in connection with budgetary resources available under other instruments.

Amendment

(12) The coverage of the EU guarantee, which is limited to risks of a sovereign and political nature, is not sufficient in itself to ensure a meaningful EIB activity in support of micro-finance. Therefore such activity, where appropriate, should be carried out in connection with budgetary resources available under other instruments. ***The EIB should also be encouraged to strengthen its interventions in this area through its partners at local level, as a means to promote growth and poverty reduction in poor countries.***

Amendment 6

Proposal for a decision Recital 13

Text proposed by the Commission

(13) The EIB should continue to finance investment projects in the areas of social, environmental and economic infrastructure, and should ***consider increasing*** its activity in support of health and education infrastructure when there is clear added value in doing so.

Amendment

(13) The EIB should continue to finance investment projects in the areas of social, environmental and economic infrastructure, and should ***increase*** its activity in support of health and education infrastructure when there is clear added value in doing so, ***and in conjunction with furthering the core objectives of EU's long-term development policy.***

Amendment 7

Proposal for a decision Recital 14

Text proposed by the Commission

(14) The EIB should also continue to finance investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale.

Amendment

(14) The EIB should also continue to finance investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale. ***To this end, priority should be given to small-scale, off-grid decentralised renewable energy projects, to ensure energy access to rural areas.***

Amendment 8

**Proposal for a decision
Recital 16**

Text proposed by the Commission

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be reviewed and further updated following the review of this Decision in order to ***adapt to the*** developments in the Union external policies and priorities.

Amendment

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be ***regularly updated to keep them in line with Union's priorities within regions, as defined by the European Parliament and the EEAS, as well as with developments in eligible countries. The updates should follow a consultation process with relevant stakeholders. The regional technical guidelines should also be*** reviewed and further updated following the review of this Decision in order to ***reflect*** developments in the Union external policies and priorities.

Amendment 9

Proposal for a decision Recital 18

Text proposed by the Commission

(18) While the EIB's strength remains its distinctiveness as an investment bank, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. In particular, in relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, ***the campaign against poverty***, as well as compliance with objectives approved by the Union in the context of the United Nations and other competent international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should ***strive to*** support ***indirectly*** the achievement of the ***UN's 2015*** Millennium Development Goals in all regions where it is active.

Amendment

(18) While the EIB's strength remains its distinctiveness as an investment bank, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. In particular, in relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them ***with the primary aim of eradicating poverty***, their smooth and gradual integration into the world economy, as well as compliance with objectives approved by the Union in the context of the United Nations and other competent international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should support the achievement of the Millennium Development Goals ***(and post-2015 by any internationally agreed new development targets which might modify or replace the MDGs)*** in all regions where it is active ***and in all regions where it will continue to be active or will start operations post-2015.***

Amendment 10

Proposal for a decision Recital 19

Text proposed by the Commission

(19) The EIB activity under this Decision should support the ***Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development*** and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and international environmental agreements including biodiversity commitments. It should be implemented through a number of concrete measures, in particular by reinforcing the EIB's capacity to appraise environmental, social and development aspects of investment projects, including human rights and conflict related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, where appropriate and in line with the Union's social and environmental principles, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing

Amendment

(19) The EIB activity under this Decision should support the ***implementation of the European Consensus on Development, of the Agenda for Change*** and ***of the*** principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and international environmental agreements including biodiversity commitments. It should be implemented through a number of concrete measures, in particular by reinforcing the EIB's capacity to appraise environmental, social and development aspects of investment projects, including human rights and conflict related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, where appropriate and in line with the Union's social and environmental principles, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing agreements involving public counterparts

agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place. ***In accordance with the development effectiveness agenda, the EIB should ensure that its interventions are consistent with the development strategies of beneficiary countries.***

Amendment 11

Proposal for a decision

Recital 20

Text proposed by the Commission

(20) At all levels, from upstream strategic planning to downstream investment project development, it should be ensured that EIB financing operations comply with and support Union external policies and the general objectives set out in this Decision. With a view to increasing the coherence of Union external action, the dialogue on policy and strategy should be further strengthened between the Commission and the EIB, including the European External Action Service (EEAS). The Memorandum of Understanding to be revised in 2013 to enhance cooperation and early mutual exchange of information between the Commission and the EIB at operational level should continue to be applied. It is of particular importance to have an early exchange of views between the Commission and the EIB, including the EEAS, ***as appropriate***, in the process of preparing programming documents in order to maximise synergies between their activities. The cooperation in relation to the respect of human rights and conflict prevention issues should also be reinforced.

Amendment

(20) At all levels, from upstream strategic planning to downstream investment project development, it should be ensured that EIB financing operations comply with and support Union external policies and the general objectives set out in this Decision. With a view to increasing the coherence of Union external action, the dialogue on policy and strategy should be further strengthened between the Commission and the EIB, including the European External Action Service (EEAS). The Memorandum of Understanding to be revised in 2013 to enhance cooperation and early mutual exchange of information between the Commission and the EIB at operational level should continue to be applied. It is of particular importance to ***systematically*** have an early exchange of views between the Commission and the EIB, including the EEAS, in the process of preparing ***relevant*** programming documents in order to maximise synergies between their activities. The cooperation in relation to the respect of human rights and conflict prevention issues should also be reinforced.

Amendment 12

Proposal for a decision Recital 21

Text proposed by the Commission

(21) Union external relations should be supported by new instruments from 2014, including an umbrella Regulation establishing common rules and procedures for the implementation of the Union's instruments for external action. With a view to enhancing the coherence of overall Union support in the regions concerned, ***opportunities should be seized to combine*** EIB financing with Union budgetary resources when and as appropriate, in the form of financial instruments provided for in Title VIII of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 and technical assistance for project preparation and implementation, through the Instrument for Pre-Accession Assistance II (IPA II), the European Neighbourhood Instrument (ENI), the Development Cooperation Instrument (DCI), the Partnership Instrument for cooperation with third countries, the Instrument for the promotion of Democracy and Human Rights worldwide, the Instrument for Stability, and the Instrument for Nuclear Safety Cooperation. Following Decision No 1080/2011/EU, the Commission established an EU Platform for Blending in External Cooperation with a view to optimising the functioning of mechanisms for the blending of grants and loans outside the Union.

Amendment

(21) Union external relations should be supported by new instruments from 2014, including an umbrella Regulation establishing common rules and procedures for the implementation of the Union's instruments for external action. With a view to enhancing the coherence of overall Union support in the regions concerned, ***and provided that blending activities have a clear sustainable development impact, that can be effectively monitored,*** EIB financing ***should be combined*** with Union budgetary resources when and as appropriate, in the form of financial instruments provided for in Title VIII of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 and technical assistance for project preparation and implementation, through the Instrument for Pre-Accession Assistance II (IPA II), the European Neighbourhood Instrument (ENI), the Development Cooperation Instrument (DCI), the Partnership Instrument for cooperation with third countries, the Instrument for the promotion of Democracy and Human Rights worldwide, the Instrument for Stability, and the Instrument for Nuclear Safety Cooperation. Following Decision No 1080/2011/EU, the Commission established an EU Platform for Blending in External Cooperation with a view to optimising the functioning of mechanisms for the blending of grants and loans outside the Union. ***The participation of the EIB and other financial institutions in blending mechanisms should be fully***

in line with Union's development objectives, aid effectiveness principles and transparency.

Amendment 13

Proposal for a decision Recital 22

Text proposed by the Commission

(22) **In** its financing operations outside the Union that fall within the scope of this Decision, **the EIB should** endeavour further to enhance coordination and cooperation with European Financial Institutions and International Financial Institutions, notably those participating in the EU Platform for Blending in External Cooperation. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. The tripartite Memorandum of Understanding between the Commission, the EIB Group and the European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European Financial Institutions and

Amendment

(22) ***The mechanism of blending loans and grants must be evaluated particularly in terms of development and financial additionality, transparency and accountability, local ownership and debt risk. Provided that it has a clear sustainable development impact, the EIB should, in*** its financing operations outside the Union that fall within the scope of this Decision, endeavour further to enhance coordination and cooperation with European Financial Institutions and International Financial Institutions, notably those participating in the EU Platform for Blending in External Cooperation. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. The tripartite Memorandum of Understanding between the Commission, the EIB Group and the European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue

International Financial Institutions.

to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European Financial Institutions and International Financial Institutions, ***including regarding consistency with the Union's development objectives, aid effectiveness principles, transparency and democratic scrutiny, while ensuring that those principles can be applied also by other European and international financial institutions.***

Amendment 14

Proposal for a decision Recital 23

Text proposed by the Commission

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations, where the EU guarantee therefore provides greater added value. Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, including in support of Union economic interests, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into account its own risk absorption capacity.

Amendment

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations, where the EU guarantee therefore provides greater added value. ***The EIB should be encouraged to focus its operations on the countries most in need and where it can have the highest impact from a development perspective.*** Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, including in support of Union economic interests, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into account its own risk absorption capacity.

Amendment 15

Proposal for a decision Recital 26

Text proposed by the Commission

(26) The EIB should take appropriate measures ensuring that, when financing operations subject to the EU guarantee, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities and that OLAF is entitled to conduct on-the-spot checks and Inspections in the premises of the beneficiaries.

Amendment

(26) The EIB should take appropriate measures ensuring that, when financing operations subject to the EU guarantee, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption, **money laundering** and any other illegal activities and that OLAF is entitled to conduct on-the-spot checks and Inspections in the premises of the beneficiaries. ***The disbursement of loans should be suspended until OLAF investigations findings become available and, where illegal activities are proven, the EIB should assist recovery efforts for misused funds.***

Amendment 16

Proposal for a decision Article 3 – paragraph 2

Text proposed by the Commission

2. EIB financing operations carried out under this Decision shall contribute to the general principles guiding Union external action, as referred to in Article 21 TEU and shall contribute to the implementation of international environmental agreements to which the Union is a party.

Amendment

2. EIB financing operations carried out under this Decision shall contribute to the general principles guiding Union external action, as referred to in Article 21 TEU and shall contribute to the implementation of international environmental agreements to which the Union is a party.

The EIB governing bodies are encouraged to take the necessary measures to adapt the bank's business model, including its resources, local presence and link with beneficiaries, to ensure effectiveness in supporting the EU external policies and to adequately meet

the requirements set out in this Decision.

Amendment 17

Proposal for a decision

Article 3 - paragraph 4

Text proposed by the Commission

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, EIB financing operations shall contribute ***indirectly*** to the objectives of the Union policy in development cooperation as referred to in Article 208 TFEU.

Amendment

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, EIB financing operations shall contribute to the objectives of the Union policy in development cooperation as referred to in Article 208 TFEU.

Amendment 18

Proposal for a decision

Article 3 – paragraph 5

Text proposed by the Commission

5. EIB financing operations supporting the objectives provided for in paragraph 1(a) ***may*** include support to investment projects by SMEs from the Union.

Amendment

5. The EIB shall endeavour to strengthen the local private sector in beneficiary countries. To ensure that investments in the private sector have the greatest development impact, EIB financing operations supporting the objectives provided for in paragraph 1(a) shall target local companies within developing countries whenever possible, but may also include support to investment projects by SMEs from the Union.

Amendment 19

Proposal for a decision

Article 3 – paragraph 6

Text proposed by the Commission

6. EIB financing operations supporting the objectives provided for in paragraph 1(b) shall support investment projects in the areas of transport, energy, including renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, energy security and energy infrastructure, including for gas production and transportation to EU energy market, environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education.

Amendment

6. EIB financing operations supporting the objectives provided for in paragraph 1(b) shall support investment projects in the areas of transport, energy, including ***decentralised off-grid*** renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, energy security and energy infrastructure, including for gas production and transportation to EU energy market, environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education. ***Compliance with the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters should be ensured by the EIB at the different relevant stages of projects.***

Amendment 20

**Proposal for a decision
Article 3 - paragraph 7**

Text proposed by the Commission

7. EIB financing operations supporting the objectives provided for in paragraph 1(c) shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities. Over the period

Amendment

7. EIB financing operations supporting the objectives provided for in paragraph 1(c) shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities. ***The eligibility***

covered by the Decision, the volume of these operations shall represent at least 25% of total EIB financing operations.

criteria for climate action projects shall be made publicly available, and be reflected in the climate change strategy of the EIB. To this end, an analysis of the carbon footprint ought to be included in the environmental assessment procedure to determine whether project proposals maximize energy-efficiency improvements. Over the period covered by the Decision, the volume of these operations shall represent at least 25% of total EIB financing operations.

Amendment 21

Proposal for a decision Article 3 - paragraph 8

Text proposed by the Commission

8. In line with Union and international climate change objectives, before the end of **2016**, the EIB, in cooperation with the Commission and following a public consultation, shall update its climate change strategy as regards EIB financing operations.

Amendment

8. In line with Union and international climate change objectives, before the end of **2015**, the EIB, in cooperation with the Commission and following a public consultation, shall update its climate change strategy as regards EIB financing operations ***outside the Union. The strategy should integrate concrete actions to phase out financing projects detrimental to the achievement of Union's climate objectives, step up efforts to support renewable energy sources and energy efficiency, as well as to improve the climate resilience of beneficiary countries, and be subject to consultation with relevant stakeholders.***

Amendment 22

Proposal for a decision Article 4 - paragraph 5

Text proposed by the Commission

5. The EU guarantee shall cover only EIB financing operations carried out in eligible

Amendment

5. The EU guarantee shall cover only EIB financing operations carried out in eligible

countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out.

countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out, ***including environmental, social and human rights standards.***

Amendment 23

Proposal for a decision

Article 5 - paragraph 1 - first subparagraph

Text proposed by the Commission

1. The Commission shall update, together with the EIB, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision.

Amendment

1. The Commission shall update, together with the EIB, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision. ***The regional technical operational guidelines shall be further updated on a yearly basis in order to take into account developments taking place in the countries of operation and changes in the Union's external policies.***

Amendment 24

Proposal for a decision

Article 5 - paragraph 1 - third subparagraph

Text proposed by the Commission

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions. The EEAS shall also be consulted on policy issues, as appropriate.

Amendment

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions. The EEAS shall also be consulted on policy issues, as appropriate. ***Consultations, including with civil society, shall also be part of the update process.***

Amendment 25

Proposal for a decision

Article 6 - paragraph 1 - point a (new)

Text proposed by the Commission

Amendment

(aa) strategic documents of the beneficiary countries;

Amendment 26

Proposal for a decision

Article 6 - paragraph 2a (new)

Text proposed by the Commission

Amendment

2a. The EIB shall ensure that all its interventions are coherent with the development strategies of beneficiary countries, and that it requests appropriate consultations with the national and local authorities of beneficiary countries, as well as with civil society, at project planning and implementation stage.

Amendment 27

Proposal for a decision

Article 8 - paragraph 5

Text proposed by the Commission

Amendment

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a ***clear and transparent*** method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred

absorption capacity and other relevant criteria, including added value of the EU Guarantee.

to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee. ***The allocation policy shall be available to the European Parliament, including a clear mention of the use, or lack of use, of the EU guarantee after the approval stage.***

Amendment 28

Proposal for a decision

Article 9 - paragraph 1 - first subparagraph

Text proposed by the Commission

1. The EIB shall carry out thorough due diligence and, ***where appropriate and*** in line with Union social and environmental principles, require appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee.

Amendment

1. The EIB shall carry out thorough due diligence and, in line with Union social and environmental principles ***and law***, require appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee, ***including an assessment of the contribution to the objectives of the Union policy on development cooperation, according to Article 208 TFEU.***

Amendment 29

Proposal for a decision

Article 9 - paragraph 2

Text proposed by the Commission

2. In addition to the *ex-ante* assessment of development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, *inter alia*, on the development, environmental and human rights impact of the investment project. The EIB shall verify the information provided by the project promoters.

Amendment

2. In addition to the *ex-ante* assessment of development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, *inter alia*, on the development, environmental and human rights impact of the investment project. The EIB shall ***systematically*** verify the information provided by the project promoters and ***make it publicly available***

*in line with its Transparency Policy.
Completion reports shall also be issued
for projects covered by the EU guarantee.*

Amendment 30

Proposal for a decision Article 9 - paragraph 3

Text proposed by the Commission

3. The EIB monitoring shall also cover the implementation of intermediated operations and the performance of financial intermediaries in support of SMEs.

Amendment

3. The EIB monitoring shall also cover the implementation of intermediated operations and the performance ***and development impact*** of financial intermediaries in support of SMEs.

Amendment 31

Proposal for a decision Article 9 - paragraph 4

Text proposed by the Commission

4. The EIB shall establish a comprehensive tracking system of monitoring relative and absolute greenhouse gas emissions reduction throughout ***significant*** EIB financing operations ***where emissions are significant and data is available.***

Amendment

4. The EIB shall establish a comprehensive tracking system of monitoring relative and absolute greenhouse gas emissions reduction throughout EIB financing operations, ***taking into account available data and the precautionary principle and in line with the publicly available EIB methodology on GHG assessment.***

Amendment 32

Proposal for a decision Article 10 - paragraph 1 - point f a (new)

Text proposed by the Commission

Amendment

(fa) an assessment of the impact of EIB lending through financial intermediaries, including its contribution to poverty eradication and to the social and environmental objectives of Union's

external action;

Amendment 33

Proposal for a decision

Article 10 - paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The EIB shall report annually to the Commission on its operations covered by the EU guarantee and their contribution to the general principles guiding the Union's external action, as referred in article 21 TEU, including the respect and promotion of human rights, the eradication of poverty and the management of environmental risks. Within one year from the entry into force of this Decision, the Commission, in cooperation with the EEAS, shall establish a methodology for this reporting. On the basis of the annual reporting by the EIB, the Commission shall present each year to the European Parliament and the Council its own evaluation and suggest, if necessary, ways of improving compliance. An evaluation of this reporting, including ways to improve it, shall be provided during the mid-term review.

Amendment 34

Proposal for a decision

Article 16 – paragraph 1

Text proposed by the Commission

Amendment

1. The EIB shall inform OLAF immediately when, at any stage of the preparation, implementation or closure of projects subject to the EU guarantee, it detects a potential case of fraud, corruption or other illegal activity that may affect the

1. The EIB shall inform OLAF immediately when, at any stage of the preparation, implementation or closure of projects subject to the EU guarantee, it detects a potential case of fraud, corruption, ***money laundering*** or other

financial interests of the EU.

illegal activity that may affect the financial interests of the EU.

Amendment 35

Proposal for a decision Article 16 – paragraph 2

Text proposed by the Commission

2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations.

Amendment

2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption, **money laundering** or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations. ***The disbursement of loans should be suspended pending the results of the OLAF investigation. In the event that such an illegal act is proven, the EIB should assist asset recovery efforts.***

Amendment 36

Proposal for a decision Article 16 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The contracts signed in relation to projects subject to the EU guarantee shall include stringent clauses enabling the suspension of financing support from the EIB to project's promoters and financial intermediaries where fraud, corruption or other illegal activity are under formal

*investigation, and its cancellation in the
event of such illegal activity being proven.*

PROCEDURE

Title	EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union
References	COM(2013)0293 – C7-0145/2013 – 2013/0152(COD)
Committee responsible Date announced in plenary	BUDG 10.6.2013
Opinion by Date announced in plenary	DEVE 10.6.2013
Rapporteur Date appointed	Cristian Dan Preda 5.7.2013
Discussed in committee	28.8.2013
Date adopted	14.10.2013
Result of final vote	+: 24 –: 0 0: 0
Members present for the final vote	Ricardo Cortés Lastra, Nirj Deva, Catherine Grèze, Eva Joly, Filip Kaczmarek, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Maurice Ponga, Jean Roatta, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Keith Taylor, Patrice Tirolien, Ivo Vajgl
Substitute(s) present for the final vote	Eric Andrieu, Enrique Guerrero Salom, Martin Kastler, Eduard Kukan, Cristian Dan Preda
Substitute(s) under Rule 187(2) present for the final vote	Marino Baldini, Marc Tarabella

29.10.2013

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Budget

on the proposal for a decision of the European Parliament and of the Council on granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union
(COM(2013)0293 – C7-0145/2013 – 2013/0152(COD))

Rapporteur: Yannick Jadot

SHORT JUSTIFICATION

With this legislative proposal for a Decision the Commission aims to ensure the continuation of the EU guarantee for EIB external financing for the next financial perspectives 2014-2020, whilst introducing some changes which your rapporteur fully supports, namely the focussing of the geographical scope of the mandate on countries most in need of credits, the reinforcement of the climate change dimension of the mandate, and the reinforcement of coherence of EIB external lending with the Union's policies and external action goals.

The EU guarantee for EIB external financing is an important instrument of fostering Union policies globally and of complementing the Union's financial instruments in the field of external action. While fully recognizing the enormous progress which the EIB has achieved in recent years with regard to incorporating newly arising EU policy goals into its operations, we need to remain aware that the Union's external credibility is at stake with each project financed by the EIB. Therefore, scrutiny by the Parliament and the public at large of EIB lending operations remains crucial.

Your rapporteur wishes to make sure that the Decision fully reflects the evolving standards in the EU with regard to transparency, consultation of stakeholders, compliance with EU Treaty obligations, as well as the evolving development and climate change goals of the Union. Given the increasing role of the EIB in contributing to development, it is moreover important to ensure that its lending operations indeed reach the intended beneficiaries, which often are local SMEs, aiming at the strengthening of local economies. This makes it particularly important that Global Loans administered by financial intermediaries in the beneficiary countries are subject to better oversight and transparency.

While acknowledging the specific character of the EIB being a bank which has to remain

competitive in the landscape of financial institutions, your rapporteur is convinced that the proposed amendments to the Decision would add to the success of the EIB and align it ever closer to the family of European institutions and their common trade and economic cooperation policy.

AMENDMENTS

The Committee on International Trade calls on the Committee on Budget, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision

Recital 1

Text proposed by the Commission

(1) In addition to its core mission of financing investment in the Union, the European Investment Bank (EIB) undertakes financing operations outside the Union in support of the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to the general principles and policy objectives of the Union.

Amendment

(1) In addition to its core mission of financing investment in the Union, ***which remains its priority and main objective,*** the European Investment Bank (EIB) undertakes financing operations outside the Union in support of the Union's external policies. This allows the budget funds of the Union available to the external regions to be complemented by the financial strength of the EIB for the benefit of the targeted third countries. In undertaking such financing operations, the EIB contributes to the general principles and policy objectives of the Union.

Amendment 2

Proposal for a decision

Recital 11

Text proposed by the Commission

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in

Amendment

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in

combating unemployment. In order to effectively reach out to SMEs, the EIB should cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance.

combating unemployment. In order to effectively reach out to SMEs, the EIB should cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance.

Through its cooperation agreements with those intermediary institutions, the EIB should make sure that their client's projects can be checked against criteria which reflect the Union's development goals and the Bank's standards. The financial intermediaries' activities in support of SMEs should be fully transparent and checked regularly by the EIB.

Justification

Investments for development should primarily serve local needs and aspirations. For reason of sustainability investment funds should be balanced with local financing. Foreign support should support the scaling up of successful local initiatives and their replication elsewhere. SME's play an important role in this respect in the frame of EIB "Global Loans" to intermediary financial institutions which on-lend to the ultimate beneficiaries. However, intermediaries are often not development or SME oriented, while Global Loans come with reduced transparency and due diligence. This needs to be addressed.

Amendment 3

Proposal for a decision Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) The EIB should invest in research and innovation by SMEs as a means of supporting local development.

Amendment 4

Proposal for a decision Recital 13

Text proposed by the Commission

(13) The EIB should continue to finance investment projects in the areas of social, environmental and economic infrastructure, and should ***consider increasing*** its activity in support of health and education infrastructure ***when there is clear added value in doing so.***

Amendment

(13) The EIB should continue to finance investment projects in the areas of social, environmental and economic infrastructure, and should ***progressively increase*** its activity in support of health and education infrastructure ***in line with the objectives of the Union's development policy and the Millennium Development Goals.***

Amendment 5

Proposal for a decision
Recital 15

Text proposed by the Commission

(15) ***Within the areas covered by the general objectives***, regional integration among countries, ***in particular*** economic integration between Pre-accession countries, Neighbourhood countries and the Union, should be an underlying objective for EIB financing operations. Within the aforementioned areas, the EIB should be able to support partner countries through foreign direct investments by companies from the Union that contribute to promoting technology and knowledge transfer, providing that due consideration has been made during the investment projects' due diligence to minimise the risks that EIB financing operations lead to negative repercussions on employment in the Union. The EIB should also be encouraged to support foreign direct investment in partner countries by companies from the Union at its own risk.

Amendment

(15) Regional integration among countries, ***including*** economic integration between Pre-accession countries ***and the Union, on the one hand, and*** Neighbourhood countries and the Union, ***on the other***, should be an underlying objective for EIB financing operations ***in areas covered by the general objectives such as transport, energy, combating climate change and managing natural resources.*** Within the aforementioned areas, the EIB should be able to support partner countries through foreign direct investments by companies from the Union that contribute to promoting technology and knowledge transfer, providing that due consideration has been made during the investment projects' due diligence to minimise the risks that EIB financing operations lead to negative repercussions on employment in the Union. The EIB should also be encouraged to support foreign direct investment in partner countries by companies from the Union at its own risk.

Amendment 6

Proposal for a decision Recital 15 (new)

Text proposed by the Commission

Amendment

(15 new) In supporting climate change mitigation projects in eligible third countries, the EIB should take into account the conclusions of the G-20 meeting in Pittsburgh to phase out environmentally or economically harmful subsidies, including for fossil fuels, and prevent from financing projects which could have a negative impact to foster this goal.

Justification

The EIB should help transforming industry and public infrastructure to curb emissions and build more democratic, sustainable and small-scale production systems as well as more democratic, effective and controllable distribution networks. .

Amendment 7

Proposal for a decision Recital 16

Text proposed by the Commission

Amendment

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be reviewed and further updated following the review of this Decision in order to adapt to the developments in the Union external policies and priorities.

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with ***the external action goals of the Union according to Article 21 TEU and*** the wider Union regional policy framework. The regional technical operational guidelines should be reviewed and further updated following the review of this Decision in order to adapt to the developments in the Union external policies and priorities.

Justification

The aim of developing Regional Operational Technical Guidelines is to foster the consistency of EIB financing operations with the external policy objectives of the EU. Therefore it should be an essential element of the new mandate. Civil society organizations and authorities on national and local level in the beneficiary countries should also be regularly involved in consultation processes to provide feedback on definitions of priorities.

Amendment 8

Proposal for a decision

Recital 17

Text proposed by the Commission

(17) In accordance with Article 19 of the Statute of the EIB, applications made directly to the EIB for EIB financing operations to be carried out under this Decision are to be submitted to the Commission for an opinion on the conformity with relevant EU legislation and policies. In the event that the Commission delivers a negative opinion on an EIB financing operation in the framework of the Article 19 procedure, the operation shall not be covered by the EU guarantee.

Amendment

(17) In accordance with Article 19 of the Statute of the EIB, applications made directly to the EIB for EIB financing operations to be carried out under this Decision are to be submitted to the Commission for an opinion on the conformity with relevant EU legislation and policies. In the event that the Commission delivers a negative opinion on an EIB financing operation in the framework of the Article 19 procedure, the operation shall not be covered by the EU guarantee ***or by any financial instrument covered by the EIB's own resources.***

Justification

The EIB should not consider funding a project which received a negative answer from the European Commission in the framework of the Article 19 procedure. It is clearly stated in Article 19 of the EIB statute that the Commission opinion on the conformity of EIB operations with relevant EU legislation and policies has to be respected by the Bank.

Amendment 9

Proposal for a decision

Recital 18

Text proposed by the Commission

(18) While the EIB's strength remains its ***distinctiveness as an investment bank***, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. ***In particular***, in relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, the campaign against poverty, as well as compliance with objectives approved by the Union in the context of the United Nations and other competent international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should strive to support ***indirectly*** the achievement of the UN's 2015 Millennium Development Goals in all regions where it is active.

Amendment

(18) While the EIB's strength remains its ***distinctive model as a publicly owned international financial institution whose remit is that of providing long-term lending so as to meet the policy goals set by its shareholders***, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. ***Furthermore, EIB actions should be in accordance with Article 3(5) of the EU Treaty, which, as confirmed by the ECJ on 21 December 2011 in its ATAA judgement, requires the Union to contribute to the strict observance of international law, and in particular the principles of the UN Charter.*** In relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, the campaign against poverty, ***the reduction of poverty and food insecurity***, as well as compliance with objectives approved by the Union in the context of the United Nations and other competent international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should strive to support the achievement of the UN's 2015 Millennium Development Goals in all regions where it is active.

Amendment 10

Proposal for a decision

Recital 19

Text proposed by the Commission

(19) The EIB activity under this Decision should support the Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011.

Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and international environmental agreements including biodiversity commitments. It should be implemented through a number of concrete measures, particular by reinforcing the EIB's capacity to appraise environmental, social and development aspects of investment projects, including human rights and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, *where appropriate and* in line with the Union's social and environmental principles, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing

Amendment

(19) The EIB activity under this Decision should support the Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011.

Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and international environmental agreements including biodiversity commitments. It should be implemented through a number of concrete measures, particular by reinforcing the EIB's capacity to appraise environmental, social and development aspects of investment projects, including human rights and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its REM which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, in line with the Union's social and environmental principles, *as well as in full respect of legislation and environmental and social standards of the beneficiary country*, require the investment project promoter to carry out local consultations and disclose

agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

their results to the public. EIB financing agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

Justification

There should be no exemption regarding requiring project promoters to carry out due diligence and ensure that projects supported by the EIB are fully in line with EU environmental and social principles. Under the mentioned Paris Declaration of 2005 and the Accra Agenda for Action of 2008, EIB external actions should also be consistent with the development strategies of the 'recipient' countries.

Amendment 11

Proposal for a decision

Recital 22

Text proposed by the Commission

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation with European ***Financial Institutions*** and ***International Financial Institutions***, notably those participating in the EU Platform for Blending in External Cooperation. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. The tripartite Memorandum of Understanding between the Commission, the EIB Group and the European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which

Amendment

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation with European ***financial institutions*** and ***international financial institutions***, notably those participating in the EU Platform for Blending in External Cooperation, ***and to promote the introduction of common standards of governance and common evaluation criteria***. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. The tripartite Memorandum of Understanding between the Commission, the EIB Group and the

allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European *Financial Institutions* and *International Financial Institutions*.

European Bank for Reconstruction and Development (EBRD) in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European *financial institutions* and *international financial institutions or with Member States' development and cooperation agencies such as the Agence Française de Développement (AFD), the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and the Department for International Development (DFID)*.

Amendment 12

Proposal for a decision Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) The EIB should expand its provision of technical assistance to beneficiaries, with the aim of supporting local capacity-building and economic, environmental, social and political development.

Amendment 13

Proposal for a decision Recital 25

Text proposed by the Commission

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound banking practice. They should continue to be managed in accordance with the EIB's own rules and procedures, including appropriate control measures and compliance with the EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the European Anti-Fraud Office (OLAF). In its financing operations the EIB should ***adequately implement its policies towards*** weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering.

Amendment

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound banking practice. They should continue to be managed in accordance with the EIB's own rules and procedures, including appropriate control measures and compliance with the EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the European Anti-Fraud Office (OLAF). In its financing operations the EIB should ***avoid any kind of direct or indirect cooperation with*** weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering ***and should follow the European Commission's most recent criteria to identify jurisdictions which do not meet minimum standards of good governance in tax matters.***

Amendment 14

Proposal for a decision

Article 3 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB must take care, in its choice of projects, to safeguard the European interest.

Amendment 15

Proposal for a decision Article 3 – paragraph 4

Text proposed by the Commission

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, EIB financing operations shall contribute ***indirectly*** to the objectives of the Union policy in development cooperation as referred to in Article 208 TFEU.

Amendment

4. In developing countries, as defined in the Organisation for Economic Cooperation and Development (OECD) list of official development assistance (ODA) recipients, EIB financing operations shall contribute to the objectives of the Union policy in development cooperation as referred to in Article 208 TFEU.

Justification

The word “indirectly” is not clear within this context. The EIB should, in principle, strive to support the objectives of the Union policy in development cooperation as referred to in Article 208 TFEU. It is unjustified to limit the EIB’s support only to the indirect support, especially if such support is not defined.

Amendment 16

Proposal for a decision Article 4 – paragraph 5

Text proposed by the Commission

5. The EU guarantee shall cover only EIB financing operations carried out in eligible countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out.

Amendment

5. The EU guarantee shall cover only EIB financing operations carried out in eligible countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out. ***Legal conditions under which operations are to be carried out shall also include environmental, social, human rights and labour standards.***

Justification

The Framework agreements concluded between the EIB and recipient countries include among others provisions on taxation, currency convertibility, transfer of funds, custom and fiscal treatment of projects, tendering and treatment of bank’s representatives. There are no

reasons why framework agreements should not include provisions referring to obligations in environmental, social, human rights and labour matters.

Amendment 17

Proposal for a decision Article 5 - paragraph 1

Text proposed by the Commission

1. The Commission shall update, together with the EIB, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision.

The regional technical operational guidelines shall be consistent with the wider Union regional policy framework set out in Annex IV. In particular the regional technical operational guidelines shall ensure that EIB financing under this Decision is complementary to corresponding Union assistance policies, programmes and instruments in the different regions.

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions. The EEAS shall also be consulted on policy issues, as appropriate.

The Commission shall transmit to the European Parliament and to the Council the updated guidelines, as soon as they are established.

Within the framework set out by the regional technical operational guidelines, the EIB shall define corresponding financing strategies and ensure their implementation

The regional technical operational guidelines shall be reviewed following the

Amendment

1. The Commission shall update, together with the EIB, the existing regional technical operational guidelines for EIB financing operations within one year following the adoption of this Decision.

Further updates shall be accomplished on a bi-annual basis.

The regional technical operational guidelines shall be consistent with the wider Union regional policy framework set out in Annex IV. In particular the regional technical operational guidelines shall ensure that EIB financing under this Decision is complementary to corresponding Union assistance policies, programmes and instruments in the different regions.

In updating these guidelines, the Commission and the EIB shall take into account relevant European Parliament resolutions and Council decisions and conclusions. The EEAS shall also be consulted on policy issues, as appropriate.

The Commission shall transmit to the European Parliament and to the Council the updated guidelines, as soon as they are established

Within the framework set out by the regional technical operational guidelines, the EIB shall define corresponding financing strategies and ensure their implementation.

The regional technical operational guidelines shall be reviewed following the

review referred to in Article 18.

review referred to in Article 18.

Justification

The aim of developing Regional Operational Technical Guidelines is to foster the consistency of EIB financing operations with the external policy objectives of the EU. Therefore it should be an essential element of the new mandate. Civil society organizations and authorities on national and local level in the beneficiary countries should also regularly be involved in consultation processes to provide feedback on definitions of priorities.

Amendment 18

Proposal for a decision

Article 5 - paragraph 2

Text proposed by the Commission

2. An EIB financing operation shall not be covered by the EU guarantee in the event that the Commission delivers a negative opinion on such an operation within the framework of the procedure provided for in Article 19 of the Statute of the EIB.

Amendment

2. An EIB financing operation shall not be covered by the EU guarantee **or any financial instrument covered by the EIB's own resources** in the event that the Commission delivers a negative opinion on such an operation within the framework of the procedure provided for in Article 19 of the Statute of the EIB.

Justification

The EIB should not consider funding a project which received a negative answer from the European Commission in the framework of the Article 19 procedure. It is clearly stated in Article 19 of the EIB statute that the Commission opinion on the conformity of EIB operations with relevant EU legislation and policies has to be respected by the Bank.

Amendment 19

Proposal for a decision

Article 6 – paragraph 2

Text proposed by the Commission

2. The cooperation shall be carried out on a region-by-region basis, **including at EU Delegation level**, taking into consideration the EIB's role as well as the policies of the

Amendment

2. The cooperation **between the EIB and beneficiary countries** shall be carried out on a region-by-region basis. **The EU Delegations in the regions concerned**

Union in *each region*.

should be kept informed during the preparation and implementation of projects, taking into consideration the EIB's role as well as the policies of the Union in *the respective regions*.

Amendment 20

Proposal for a decision

Article 6 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB shall engage in a dialogue with the European Commission on identifying jurisdictions which do not meet minimum standards of good governance in tax matters.

Amendment 21

Proposal for a decision

Article 7 a (new)

Text proposed by the Commission

Amendment

Cooperation with financial intermediaries
When operating under the Community guarantee, the EIB should only cooperate with financial intermediaries not operating in offshore financial centers, and are equipped to implement a pro-development approach supporting the specificity of SMEs in the countries of operation.

Justification

Financial intermediaries are mostly western commercial banks with little or no interest in development and SME development, and often operational in tax havens. They are not adapted to the requirements of local economies and should not be profiting from EIB activities.

Amendment 22

Proposal for a decision Article 8 - paragraph 5

Text proposed by the Commission

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee.

Amendment

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee. ***The allocation policy shall be publicly available on the EIB website. For each operation to be financed by the EIB outside of the EU, the EIB website shall after the project approval stage indicate whether a EU guarantee will be used or not.***

Justification

Under article 10.4 of the current mandate the EIB is required to "develop a clear and transparent allocation policy for deciding upon the source of financing of operations which are eligible both for coverage by the EU guarantee and for EIB own-risk financing". However, neither the allocation policy of the EIB nor the selection criteria whether a project will be financed under the Union guarantee or under the EIB own resources is currently publicly available. This impedes public scrutiny over EIB activities.

Amendment 23

Proposal for a decision Article 9 – paragraph 1

Text proposed by the Commission

The EIB shall carry out thorough due diligence and, where appropriate and in line with Union social and environmental principles, require appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee.

Where appropriate, the appraisal according to first subparagraph shall include an assessment of how the capacities of the beneficiaries of EIB financing can be reinforced throughout the project cycle with technical assistance.

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights and conflict prevention, to ensure that only investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

Amendment

The EIB shall carry out thorough due diligence and, in line with Union social and environmental principles, require appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee. ***The EIB must remain in communication with the promoters and beneficiaries of the projects it funds throughout the project programming process. It must also take account of the impact of the projects on those directly and indirectly affected by them.***

Where appropriate, the appraisal according to first subparagraph shall include an assessment of how the capacities of the beneficiaries of EIB financing can be reinforced throughout the project cycle with technical assistance.

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights and conflict prevention, ***in line with relevant Union legislation as well as legislation and environmental and social standards of the beneficiary countries***, to ensure that only investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

Amendment 24

**Proposal for a decision
Article 9 – paragraph 2**

Text proposed by the Commission

2. In addition to the ex-ante assessment of

Amendment

2. In addition to the ex-ante assessment of

development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, inter alia, on the development, environmental and human rights impact of the investment project. The EIB shall verify the information provided by the project promoters.

development-related aspects, the EIB shall monitor the implementation of financing operations. In particular, it shall require the project promoters to carry out thorough monitoring during project implementation until completion, inter alia, on the development, environmental, ***social*** and human rights impact of the investment project. The EIB shall verify the information provided by the project promoters.

Amendment 25

Proposal for a decision Article 9 – paragraph 3

Text proposed by the Commission

3. The EIB monitoring shall also cover the implementation of intermediated operations and the performance of financial intermediaries in support of SMEs.

Amendment

3. The EIB monitoring shall also cover the implementation of intermediated operations and the performance ***and development impact*** of financial intermediaries in support of SMEs, ***including ex-ante and ex-post assessment relating to the projects undertaken.***

Amendment 26

Proposal for a decision Article 9 a (new)

Text proposed by the Commission

Amendment

Article 9a

EIB Technical Assistance

The EIB shall, when appropriate, provide wide technical assistance to beneficiaries for project preparation and implementation, with the aim of supporting local capacity-building and economic, environmental, social and political development. The technical

assistance given should be complementary to the assistance given by other EU bodies in the framework of the EU's trade and development policy.

Amendment 27

Proposal for a decision

Article 10 - paragraph 1 - point d a (new)

Text proposed by the Commission

Amendment

(da) an assessment of the impact of EIB lending through financial intermediaries, demonstrating how intermediated lending contributes to the poverty eradication, and social and environmental objectives of EU external action. Information about final beneficiaries of EIB operations should be disclosed.

Justification

Presently it is impossible to assess the economic and social impact of loans distributed by intermediary banks under the Global Loan facility. This prevents a targeted approach to certain sectors or types of SMEs.

Amendment 28

Proposal for a decision

Article 11 - paragraph 1

Text proposed by the Commission

Amendment

1. In accordance with *its own transparency policy*, the EIB shall make publicly available on its website information relating to

1. In accordance with *EU legislation on access to documents and information*, the EIB shall make publicly available on its website information relating to

Justification

Access to information and documents covered by this guarantee should be directly based on the EU's existing legislation on access to documents and information disclosure (Regulation

No 1049/2001 of 30 May 2001 and Regulation No 1367/2006 of 6 September 2006). The EIB is already subject to these regulations and any form of its operation which is guaranteed by the EU funds should be subject to transparency rules based directly on the EU existing legislation.

Amendment 29

Proposal for a decision

Article 11 - paragraph 1 - point c (new)

Text proposed by the Commission

Amendment

(c) framework agreements concluded between the EIB and a recipient country

Justification

Framework agreements concluded between the EIB and a recipient country constitute important public information which should be subject of the EIB's active dissemination.

Amendment 30

Proposal for a decision

Article 12

Text proposed by the Commission

Amendment

In its financing operations, the EIB shall not tolerate any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the EU. In particular the EIB shall not participate in any financing operation implemented in an eligible country through a foreign ***non-cooperative*** jurisdiction identified as such by the OECD, the Financial Action Task Force or other relevant international organisations.

In its financing operations, the EIB shall not tolerate any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the EU. In particular the EIB shall not participate in any financing operation implemented in an eligible country through a foreign ***non cooperative*** jurisdiction identified as such ***using the European Commission's criteria on identifying non-cooperative jurisdictions, as well as*** by the OECD, the Financial Action Task Force or other relevant international organisations.

PROCEDURE

Title	EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union
References	COM(2013)0293 – C7-0145/2013 – 2013/0152(COD)
Committee responsible Date announced in plenary	BUDG 10.6.2013
Opinion by Date announced in plenary	INTA 10.6.2013
Rapporteur Date appointed	Yannick Jadot 17.6.2013
Discussed in committee	5.9.2013
Date adopted	14.10.2013
Result of final vote	+: 24 –: 0 0: 0
Members present for the final vote	Laima Liucija Andrikienė, Maria Badia i Cutchet, Nora Berra, Daniel Caspary, María Auxiliadora Correa Zamora, Andrea Cozzolino, George Sabin Cutaş, Marielle de Sarnez, Christofer Fjellner, Yannick Jadot, Franziska Keller, Bernd Lange, Vital Moreira, Paul Murphy, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Jan Zahradil
Substitute(s) present for the final vote	Jarosław Leszek Wałęsa
Substitute(s) under Rule 187(2) present for the final vote	Elisabeth Jeggle, Krzysztof Lisek, Iosif Matula, Catherine Stihler

15.10.2013

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Budgets

on the proposal for a decision of the European Parliament and of the Council on granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union
(COM(2013)0293 – C7-0145/2013 – 2013/0152(COD))

Rapporteur: Hans-Peter Martin

SHORT JUSTIFICATION

The rapporteur sees the new decision as fundamentally positive, as the elements implemented in the new instrument direct the activities of the EIB into fields which will contribute to social and economic development, particularly promotion of SMEs, as well as to climate change mitigation.

Although the linkage of EU guarantees to the Multiannual Financial Framework will compel the EIB to manage with a smaller guarantee framework, the rapporteur continues to regard the EIB as a strong and effective instrument for attaining the EU's development goals, making its presence felt in the partner countries and raising the EU's external policy profile. However, for the optional additional amount which is, for the first time, provided for, the rapporteur considers that the Commission must draw up specific requirements, indicating the circumstances under which this sum is to be activated and can be used by the EIB.

The rapporteur considers it essential to attach additional reporting requirements to the granting of EIB loans and calls for this to be ensured particularly where cooperation involves local financial institutions acting as intermediaries. In the rapporteur's view, in order to guarantee transparency, it must always be clear who is the ultimate beneficiary of EIB financing. A key element in the new decision on EU guarantees against possible EIB losses in the case of investment outside the EU is therefore the implementation of a list of final borrowers and its public accessibility.

The rapporteur welcomes the newly increased focus on the fields of climate change mitigation and adaptation, but would observe that in his opinion it is necessary, in assessing the CO₂ balance of energy sources, to take greater account than hitherto of processes upstream and downstream of energy production.

The rapporteur also considers it desirable to urge the EIB to promote more own-initiative projects and also to participate in funding outside the EU guarantees. Here, however, the rapporteur feels that it is essential to lay down unambiguously which financial market instruments the EIB should use for this purpose. In order to avoid unnecessary risks, it should be made clear that the focus has to be on sustainable banking practices, with a long-term future, which are based on the real economy.

AMENDMENTS

The Committee on Economic and Monetary Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a decision Recital 11

Text proposed by the Commission

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. In order to effectively reach out to SMEs, the EIB should cooperate with local financial intermediary institutions in the eligible countries, in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance.

Amendment

(11) Improving access to financing for SMEs, including SMEs from the Union investing in the regions covered by this Decision, can play an essential role in stimulating economic development and in combating unemployment. In order to effectively reach out to SMEs, the EIB ***financing operations should be results-oriented and include seed capital for SMEs. The EIB should also*** cooperate with local financial intermediary institutions in the eligible countries, ***under the condition that such intermediaries are embedded in the local economy and contribute with local resources,*** in particular to ensure that part of the financial benefits is passed on to their clients and provide added value compared to other sources of finance. ***It should be ensured that the EIB cooperates with local financial intermediaries whose aims accord with those referred to in Recital 18 of this Decision and Article 21 of the Treaty on European Union. To make sure that their client's projects can be checked against criteria which reflect the Union's***

development goals and the Bank's standards, the EIB should introduce a requirement for local financial institutions to report on the projects financed and the SMEs supported. Therefore, the financial intermediaries' activities in support of SMEs should be fully transparent and checked regularly by the EIB.

Amendment 2

Proposal for a decision Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) The EIB should draw up a list of all recipients of its funding and make it available on its website. It should include recipients of both direct financing or financing via local financial intermediaries. Unless already published in some form, and prior to project approval, the EIB should make available relevant information on the beneficiaries of long-term loans and guarantees, on all its financial intermediaries, project eligibility criteria and venture capital loans to SMEs, specifying in particular the amounts disbursed, the number of loans granted, and the region and industrial sector concerned.

Amendment 3

Proposal for a decision Recital 13

Text proposed by the Commission

Amendment

(13) The EIB should continue to finance investment projects in the areas of social, environmental and economic infrastructure, and should **consider**

(13) The EIB should continue to finance investment projects in the areas of social, environmental and economic infrastructure, and should **increase** its

increasing its activity in support of health and education infrastructure when there is clear added value in doing so.

activity in support of health and education infrastructure when there is clear added value in doing so.

Amendment 4

Proposal for a decision

Recital 14

Text proposed by the Commission

(14) The EIB should also continue to finance investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale.

Amendment

(14) The EIB should also continue to finance investment projects in support of climate change mitigation and adaptation, to further the promotion of the Union's climate goals on a global scale, ***taking due care that, through an appropriate energy mix, investments have a net positive impact on climate and putting in place effective provisions to this end.***

Amendment 5

Proposal for a decision

Recital 15

Text proposed by the Commission

(15) Within the areas covered by the general objectives, regional integration among countries, in particular economic integration between Pre-accession countries, Neighbourhood countries and the Union, should be an underlying objective for EIB financing operations. Within the aforementioned areas, the EIB should be able to support partner countries through foreign direct investments by companies from the Union that contribute to promoting technology and knowledge transfer, ***providing that due*** consideration has been ***made*** during the investment projects' due diligence to ***minimise*** the risks that EIB financing operations lead to negative repercussions on employment in

Amendment

(15) Within the areas covered by the general objectives, regional integration among countries, in particular economic integration between Pre-accession countries, Neighbourhood countries and the Union, should be an underlying objective for EIB financing operations. Within the aforementioned areas, the EIB should support partner countries through foreign direct investments by companies from the Union that contribute to promoting technology and knowledge transfer. ***However, support should only be provided if ample*** consideration has been ***given*** during the investment projects' due diligence to ***minimising*** the risks that EIB financing operations lead to negative

the Union. *The EIB should also be encouraged to support foreign direct investment in partner countries by companies from the Union at its own risk.*

repercussions on employment in the Union. *EIB financing should not contribute to the relocation of jobs away from the Union. Care should also be taken to ensure that the foreign direct investment by businesses based in the Union which is supported by the EIB genuinely contributes to economic integration between pre-accession countries, neighbourhood countries and the Union. The EIB should therefore indicate in what form it is specifically supporting businesses and how the businesses are using this support.*

Amendment 6

Proposal for a decision Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) The EIB should regularly conduct evaluations of the costs and benefits of supported projects to ensure their economic viability and contribution to sustainable development.

Amendment 7

Proposal for a decision Recital 15 b (new)

Text proposed by the Commission

Amendment

(15b) In supporting climate change mitigation projects in eligible third countries, the EIB should take into account the conclusions of the G-20 meeting in Pittsburgh and present by 2014 a road map and timeline to phase out by 2016 environmentally or economically harmful subsidies, including for fossil fuels, and prevent from financing projects which could have a negative impact to

foster this goal.

Amendment 8
Proposal for a decision
Recital 16

Text proposed by the Commission

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with the wider Union regional policy framework. The regional technical operational guidelines should be reviewed and further updated following the review of this Decision in order to adapt to the developments in the Union external policies and priorities.

Amendment

(16) The practical measures for linking the general objectives of the EU guarantee and their implementation are to be set out in regional technical operational guidelines. Such guidelines should be consistent with the ***external action goals of the Union set out in Article 21 TEU and the*** wider Union regional policy framework. The regional technical operational guidelines should be reviewed ***following consultation with relevant stakeholder and authorities at national and local level from beneficiary countries*** and further updated following the review of this Decision in order to adapt to the developments in the Union external policies and priorities.

Amendment 9
Proposal for a decision
Recital 18

Text proposed by the Commission

(18) While the EIB's strength remains its distinctiveness as an investment bank, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. ***In particular***, in relation to developing countries, EIB financing operations should foster their sustainable

Amendment

(18) While the EIB's strength remains its distinctiveness as an investment bank, EIB financing operations should contribute to the general principles guiding Union external action, as referred to in Article 21 of the Treaty on European Union (TEU), of promoting and consolidating democracy and the rule of law, human rights and fundamental freedoms, and to the implementation of international environmental agreements to which the Union is a party. ***Furthermore, EIB actions should be in accordance with Article 3(5) TEU, which, as confirmed by***

economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, the campaign against poverty, as well as compliance with objectives approved by the Union in the context of the United Nations and other competent international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should strive to support indirectly the achievement of the UN's 2015 Millennium Development Goals in all regions where it is active.

the ECJ on 21 December 2011 in its ATAA judgement, requires the Union to contribute to the strict observance of international law, and in particular the principles of the United Nations Charter.

In relation to developing countries, EIB financing operations should foster their sustainable economic, social and environmental development, particularly in the most disadvantaged amongst them, their smooth and gradual integration into the world economy, the campaign against poverty, as well as compliance with objectives approved by the Union in the context of the United Nations and other competent international organisations. While contributing to the implementation of the measures necessary to further the objectives of Union development cooperation policy in accordance with Article 209(3) of the Treaty, the EIB should strive to support indirectly the achievement of the UN's 2015 Millennium Development Goals in all regions where it is active.

Amendment 10

Proposal for a decision

Recital 19

Text proposed by the Commission

(19) The EIB activity under this Decision should support the Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and international environmental agreements

Amendment

(19) The EIB activity under this Decision should support the Agenda for Change proposed by the Commission and be coherent with the relevant principles of the European Consensus on Development and the principles of aid effectiveness outlined in the Paris Declaration of 2005, the Accra Agenda for Action of 2008 and the Busan Partnership Agreement of 2011. Furthermore, it should be coherent with the EU Strategic Framework and Action Plan on Human Rights and Democracy adopted by the Council on 25 June 2012 and international environmental agreements

including biodiversity commitments. It should be implemented through a number of concrete measures, *in* particular by reinforcing the EIB's capacity to appraise environmental, social and development aspects of investment projects, including human rights and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, *where appropriate and* in line with the Union's social and environmental principles, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

including biodiversity commitments. It should be implemented through a number of concrete measures, particular by reinforcing the EIB's capacity to appraise environmental, social and development aspects of investment projects, including human rights and conflict-related risks, and by promoting local consultation with public authorities and civil society. In this context, the EIB should implement and further develop its Results Measurement framework (REM) which provides a detailed set of performance indicators measuring the economic, environmental, social, and development impact of its financing operations throughout the lifecycle of the underlying investment. The implementation of the REM should be evaluated as part of the mid-term review of this Decision. When carrying out due diligence in respect of an investment project, the EIB should, in line with the Union's social and environmental principles, *as well as in full respect of legislation and environmental and social standards of the beneficiary country*, require the investment project promoter to carry out local consultations and disclose their results to the public. EIB financing agreements involving public counterparts should explicitly include the possibility to suspend disbursements in case of revocation of eligibility under this Decision of the country in which the investment project takes place.

Amendment 11

Proposal for a decision Recital 22

Text proposed by the Commission

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation

Amendment

(22) In its financing operations outside the Union that fall within the scope of this Decision, the EIB should endeavour further to enhance coordination and cooperation

with European Financial Institutions and International Financial Institutions, notably those participating in the EU Platform for Blending in External Cooperation. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. The tripartite Memorandum of Understanding between the Commission, the EIB Group and the ***European Bank for Reconstruction and Development (EBRD)*** in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European Financial Institutions and International Financial Institutions.

with European Financial Institutions and International Financial Institutions, notably those participating in the EU Platform for Blending in External Cooperation. This cooperation includes, where appropriate, cooperation on sector conditionality and mutual reliance on procedures, use of joint co-financing and participation in global initiatives, such as those promoting aid coordination and effectiveness. Such coordination and cooperation should strive to minimise possible duplication of costs and unnecessary overlap. ***Particularly with reference to the European Bank for Reconstruction and Development (EBRD), greater efforts should be made by both banks to find additional scope for synergies.*** The tripartite Memorandum of Understanding between the Commission, the EIB Group and the ***EBRD*** in respect of cooperation outside the Union, which allows the EIB Group and the EBRD to act in a complementary way by relying on their respective comparative advantages, was updated in 2012 to cover the extension of EBRD's geographical scope to the Mediterranean region and should continue to be applied. The principles set out in this Decision should also be applied when EIB financing is implemented through cooperation agreements with other European Financial Institutions and International Financial Institutions.

Amendment 12

Proposal for a decision

Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) The EIB should, in line with its internal guideline entitled "Policy on preventing and deterring prohibited conduct in European Investment Bank activities" adopted in 2008, closely cooperate with Member States's financial intelligence units (FIUs), the

Commission, EBA, ESMA, EIOPA, the Single Supervisory Mechanism, and the competent authorities of the foreign countries where the EIB operates in order to strengthen the anti-money laundering and terrorist financing measures in force and help improve their enforcement.

Amendment 13

Proposal for a decision Recital 22 b (new)

Text proposed by the Commission

Amendment

(22b) The EIB should expand its provision of technical assistance to SMEs, with the aim of supporting innovative ideas and helping start-ups attract funding from financial intermediaries.

Amendment 14

Proposal for a decision Recital 23

Text proposed by the Commission

Amendment

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations, where the EU guarantee therefore provides greater added value. Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, *including* in support of **Union economic interests**, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into

(23) The EIB should be encouraged to increase its operations and to diversify its operations outside the Union without recourse to the EU guarantee so that the use of the EU guarantee can be focused on countries and investment projects with poor access to the market, taking into account debt sustainability considerations, where the EU guarantee therefore provides greater added value. Consequently, and always with the aim of supporting the objectives of the Union external policies, the EIB should be encouraged to lend at its own risk, in support of **global public goods**, in countries and in favour of investment projects having a sufficient creditworthiness according to the assessment of the EIB and taking into

account its own risk absorption capacity.

account its own risk absorption capacity.

Amendment 15

Proposal for a decision

Recital 24

Text proposed by the Commission

(24) The EIB should expand the range of innovative financial instruments it offers, including by focusing more on developing guarantee instruments. Moreover, the EIB should actively seek to participate in risk sharing instruments and debt capital market financing of projects with stable and predictable cash flow generation. In particular, it should consider supporting debt capital market instruments issued or granted for the benefit of an investment project carried out in the eligible countries. In addition, the EIB should increase its provision of loans in local currencies and issue bonds in local markets, provided that beneficiary countries put in place the necessary structural reforms, in particular in the financial sector, as well as other measures to facilitate EIB activities.

Amendment

(24) The EIB should expand the range of innovative financial instruments it offers, including by focusing more on developing guarantee instruments. Moreover, the EIB should actively seek to participate in risk sharing instruments and debt capital market financing of projects with stable and predictable cash flow generation. In particular, it should consider supporting debt capital market instruments issued or granted for the benefit of an investment project carried out in the eligible countries. In addition, the EIB should increase its provision of loans in local currencies and issue bonds in local markets, provided that beneficiary countries put in place the necessary structural reforms, in particular in the financial sector, as well as other measures to facilitate EIB activities. ***In the diversification and expansion of capital market instruments, special care should be taken to ensure that they are compatible with Union law on financial services and do not help to establish risky financial practices which for example entail greater risks of securitisation and indebtedness and may therefore jeopardise financial stability.***

Amendment 16

Proposal for a decision

Recital 24 a (new)

(24a) The annual EIB report should in particular assess the compliance of EIB financing operations with this Decision, taking into account the regional technical operational guidelines. The report should also assess the extent to which the EIB has taken into account economic, financial, environmental and social sustainability in the design and monitoring of the projects financed. It should also contain a specific section devoted to a detailed evaluation of the measures taken by the EIB to comply with the current mandate, paying particular attention to the EIB financing operations using financial vehicles situated in non-cooperative jurisdictions. In its financing operations the EIB should adequately implement its policies towards weakly regulated or non-cooperative jurisdictions to contribute to the international fight against fraud and tax evasion. The report should also include an appraisal of social and development-related aspects of projects. It should be made public, thus allowing civil society and recipient countries to express their views.

Amendment 17

Proposal for a decision Recital 25

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound banking ***practice***. They should continue to be managed in accordance with the EIB's own rules and procedures, including appropriate control measures and compliance with the

(25) The EIB financing operations in support of Union external policies should continue to be conducted in accordance with the principles of sound ***and sustainable*** banking ***practices, with a long-term future, which are geared to the real economy***. They should continue to be managed in accordance with the EIB's own

EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the European Anti-Fraud Office (OLAF). In its financing operations the EIB should ***adequately implement its policies towards*** weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering.

rules and procedures, including appropriate control measures and compliance with the EIB's statement on social and environmental standards, as well as with the relevant rules and procedures concerning the Court of Auditors and the European Anti-Fraud Office (OLAF). In its financing operations the EIB should ***avoid cooperating with*** weakly regulated or non-cooperative jurisdictions in order to contribute to the international fight against tax fraud, tax evasion and money-laundering ***and should follow the European Commission's most recent criteria to identify jurisdictions which do not meet minimum standards of good governance. Particularly in the case of financing via local financial intermediaries, it should therefore be ensured that the financing made available by the intermediaries avoids the risk of fraud and corruption. In the interests of transparency and in order to avoid fraud and corruption, the EIB should draw up, in cooperation with the local financial intermediaries, a list of the final borrowers.***

Amendment 18

Proposal for a decision Recital 25 a (new)

Text proposed by the Commission

Amendment

(25a) In cooperation with financial intermediaries, the EIB should ensure that, when EIB financing is passed on to local borrowers, no excessive fees can be charged by intermediary financial institutions and should prevent the final recipients of EIB financing from being subjected to unnecessary burdens.

Amendment 19

Proposal for a decision Recital 25 b (new)

Text proposed by the Commission

Amendment

(25b) The EIB should further expand the provision of technical and financial advice and should also increasingly help to develop these services itself. In order to avoid inefficient administrative and management practices in the implementation of projects, the EIB should consider drawing up good practice guidelines.

Amendment 20

Proposal for a decision Recital 26

Text proposed by the Commission

Amendment

(26) The EIB should take appropriate measures ensuring that, when financing operations subject to the EU guarantee, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities and that OLAF is entitled to conduct on-the-spot checks and Inspections in the premises of the beneficiaries.

(26) The EIB should take appropriate measures ensuring that, when financing operations subject to the EU guarantee, the financial interests of the European Union are protected by the application of preventive measures against fraud, corruption and any other illegal activities, ***particularly in connection with States classified as tax havens***, and that OLAF is entitled to conduct on-the-spot checks and Inspections in the premises of the beneficiaries.

Amendment 21

Proposal for a decision Article 1 – paragraph 5

Text proposed by the Commission

Amendment

5. If, on expiry of the period referred to in

5. If, on expiry of the period referred to in

paragraph 4, the European Parliament and the Council have not adopted a decision granting a new EU guarantee to the EIB against losses under its financing operations outside the Union, that period shall be automatically extended by six months.

paragraph 4, the European Parliament and the Council have not adopted a decision granting a new EU guarantee to the EIB against losses under its financing operations outside the Union, that period shall – ***once*** – be automatically extended by six months.

Amendment 22

Proposal for a decision

Article 2 – paragraph 1 – first subparagraph

Text proposed by the Commission

1. The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-2020 shall not exceed EUR 28 000 000 000. Amounts cancelled shall not count against the ceiling.

Amendment

1. The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-2020 shall not exceed EUR 28 000 000 000. Amounts ***initially earmarked for financing operations but subsequently*** cancelled shall not count against the ceiling.

Amendment 23

Proposal for a decision

Article 3 – paragraph 1 – point a

Text proposed by the Commission

(a) ***local*** private sector development, in particular support to SMEs;

Amendment

(a) private sector development, in particular support to SMEs;

Amendment 24

Proposal for a decision

Article 3 – paragraph 5

Text proposed by the Commission

5. EIB financing operations supporting the objectives provided for in paragraph 1(a) may include support to investment projects by SMEs from the Union.

Amendment

5. EIB financing operations supporting the objectives provided for in paragraph 1(a) may include support to investment projects by SMEs from the Union. ***However, it shall be ensured that EIB financing is***

genuinely used in the specific investment projects for the benefit of the SMEs concerned and not channelled to other areas as concealed support for undertakings. In order to ensure that funding is used as intended, the EIB shall draw up practical reporting standards to be complied with by borrowers.

Amendment 25

Proposal for a decision Article 3 – paragraph 6

Text proposed by the Commission

6. EIB financing operations supporting the objectives provided for in paragraph 1(b) shall support investment projects in the areas of transport, energy, including renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, energy security and energy infrastructure, ***including for gas production and transportation to EU energy market***, environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education.

Amendment

6. EIB financing operations supporting the objectives provided for in paragraph 1(b) shall support investment projects in the areas of transport, energy, including renewable energy, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels (***in which context calculations of CO₂ emissions must take into account processes that cause additional emissions prior to and following the actual operational mode of energy producing facilities***), energy security and energy infrastructure, environmental infrastructure, including water and sanitation and green infrastructure, information and communication technology, including telecommunications and broadband network infrastructure, health and education.

Amendment 26

Proposal for a decision Article 3 – paragraph 7

Text proposed by the Commission

7. EIB financing operations supporting the objectives provided for in paragraph 1(c)

Amendment

7. EIB financing operations supporting the objectives provided for in paragraph 1(c)

shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities. Over the period covered by the Decision, the volume of *these* operations shall represent at least 25% of total EIB financing operations.

shall support investment projects in climate change mitigation and adaptation which contribute to the overall objective of the United Nations Framework Convention on Climate Change, in particular by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities. *The eligibility criteria for climate action projects shall be further defined in the next revision of the Regional Operational Technical Guidelines, after thorough public consultations, and be reflected in the climate change strategy of the Bank during the midterm review of this Decision.* Over the period covered by the Decision, the volume of operations *in the field of climate change mitigation* shall represent at least 25% of total EIB financing operations. *By promoting investment projects in the field of renewable energy and better energy efficiency, the EIB shall contribute to a sustainable energy mix with a gradual phasing-out of its financing operations in fossil fuels. Therefore, it must be ensured that investment in the field of renewable energy and better energy efficiency are preferred to investment in fossil fuels which generate high CO₂ emissions.*

Amendment 27

Proposal for a decision Article 4 – paragraph 2

Text proposed by the Commission

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 concerning amendments to Annex III. The Commission's decisions shall be based on an overall economic and political assessment, including aspects

Amendment

2. The Commission shall be empowered to adopt delegated acts in accordance with Article 17 concerning amendments to Annex III. The Commission's decisions shall be based on an overall economic, *social, environmental* and political

related to the democracy, human rights and fundamental freedoms as well as the relevant European Parliament resolutions and Council decisions and conclusions.

assessment, including aspects related to the democracy, human rights and fundamental freedoms as well as the relevant European Parliament resolutions and Council decisions and conclusions.

Amendment 28

Proposal for a decision Article 4 – paragraph 5

Text proposed by the Commission

5. The EU guarantee shall cover only EIB financing operations carried out in eligible countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out.

Amendment

5. The EU guarantee shall cover only EIB financing operations carried out in eligible countries that have concluded a framework agreement with the EIB establishing the legal conditions under which such operations are to be carried out. ***Legal conditions under which operations are to be carried out shall also include environmental, social, human rights and labour standards.***

Amendment 29

Proposal for a decision Article 7 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB shall not cooperate with financial intermediaries with negative track record in terms of transparency, fraud, corruption and environmental and social impacts. A stringent list of criteria for selection of financial intermediaries shall be established by the EIB jointly with the European Commission and be made publicly available.

Amendment 30

Proposal for a decision Article 7 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. When operating under the EU guarantee, the EIB shall only cooperate with financial intermediaries that have substantial local ownership, that are equipped to implement a pro-development approach supporting the specificity of SMEs in the countries of operation, and that are neither operating or established in a jurisdiction that:

- provides for tax measures which entail no or nominal taxes or where advantages are granted even without any real economic activity and substantial economic presence within the jurisdiction offering such tax advantages;

- does not fully comply with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements;

- is listed as a Non-Cooperative Country and Territory by FATF.

Amendment 31

Proposal for a decision

Article 7 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. In cooperation with financial intermediaries, the EIB shall ensure that, when these intermediaries pass on EIB financing to local borrowers, they do not charge excessive fees and thus subject the final recipients of EIB financing to unnecessary burdens.

Amendment 32

Proposal for a decision

Article 8 – paragraph 3 – introductory part

Text proposed by the Commission

3. For EIB financing operations other than those referred to in paragraph 1 and for EIB financing operations consisting of debt capital markets instruments, the EU guarantee shall cover all payments due to the EIB but not received by it, where the non-receipt has been caused by the realisation of one of the following political risks ("Political Risk Guarantee"):

Amendment

3. For EIB financing operations other than those referred to in paragraph 1 and for EIB financing operations consisting of debt capital markets instruments, ***provided that they comply with the principles of sound, sustainable banking practices, with a long-term future, which are based on the real economy***, the EU guarantee shall cover all payments due to the EIB but not received by it, where the non-receipt has been caused by the realisation of one of the following political risks ("Political Risk Guarantee"):

Amendment 33

Proposal for a decision

Article 8 – paragraph 5

Text proposed by the Commission

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee.

Amendment

5. The Commission and the EIB shall set out in the agreement referred to in Article 13 a method allowing the EIB to identify, within its external activity, the operations to be financed under this Decision and the operations to be financed at the own risk of the EIB. The method shall be based on the creditworthiness of EIB financing operations as assessed by the EIB, the regions and ceilings as defined in Annex I, the nature of the counterparty (whether a sovereign/State, a sub-sovereign as referred to in paragraph 1 or private), EIB risk absorption capacity and other relevant criteria, including added value of the EU Guarantee. ***The allocation policy shall be publicly available on the EIB website. For each operation to be financed by the EIB outside of the EU, the EIB website shall***

indicate after the project approval stage whether a EU guarantee will be used or not.

Amendment 34

Proposal for a decision

Article 9 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The EIB shall carry out thorough due diligence and, ***where appropriate and*** in line with Union social and environmental principles, require appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee.

Amendment

The EIB shall carry out thorough due diligence and, in line with Union social and environmental principles, require appropriate local public consultation, on development-related aspects of investment projects covered by the EU guarantee.

Amendment 35

Proposal for a decision

Article 9 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights and conflict prevention, to ensure that only investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

Amendment

The EIB's own rules and procedures shall include the necessary provisions on assessment of environmental and social impact of investment projects and of aspects related to human rights and conflict prevention, ***in line with the relevant Union legislation as well as legislation and environmental and social standards of the beneficiary countries***, to ensure that only investment projects that are economically, financially, environmentally and socially sustainable are supported under this Decision.

Amendment 36

Proposal for a decision

Article 10 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) an assessment of the impact of EIB lending through financial intermediaries, demonstrating how intermediated lending contributes to the poverty eradication, and social and environmental objectives of EU external action. Information about final beneficiaries of EIB operations shall be disclosed;

Amendment 37

Proposal for a decision Article 11 - Title

Text proposed by the Commission

Amendment

Public disclosure of information

Transparency and public disclosure of information

Amendment 38

Proposal for a decision Article 11 – paragraph 1

Text proposed by the Commission

Amendment

1. In accordance with its own transparency policy, the EIB shall make publicly available on its website information relating to:

(a) all EIB financing operations carried out under this Decision, in particular indicating whether an investment project is covered by the EU guarantee;

1. In accordance with its own transparency policy, the EIB shall make publicly available on its website information relating to:

(a) all EIB financing operations carried out under this Decision, in particular indicating whether an investment project is covered by the EU guarantee ***and including:***

(i) a description or summary of the project,

(ii) monitoring reports on development-related, environmental and social aspects of the project,

(iii) ex-post evaluation reports on the

(b) *unless confidentiality requirements apply*, any memoranda of understanding between the EIB and other European Financial Institutions or International Financial Institutions having a bearing on EIB financing operations under this Decision.

Amendment 39

Proposal for a decision

Article 11 – paragraph 1 – point b a (new)

Text proposed by the Commission

contribution of the projects to economic development, poverty eradication, protection of the environment and strengthening of human rights;

(b) any memoranda of understanding between the EIB and other European Financial Institutions or International Financial Institutions having a bearing on EIB financing operations under this Decision.

Amendment

(ba) framework agreements concluded between the EIB and a recipient country;

Amendment 40

Proposal for a decision

Article 12

Text proposed by the Commission

In its financing operations, the EIB shall not tolerate any activities carried out for illegal purposes, including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the EU. In particular the EIB shall not participate in any financing operation implemented in an eligible country through a *foreign non-cooperative jurisdiction identified as such by the OECD, the Financial Action Task Force or other relevant international organisations.*

Amendment

In its financing operations, the EIB shall not tolerate any activities carried out for illegal purposes , including money laundering, financing of terrorism, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the EU. *The EIB shall also not cooperate with companies pursuing aggressive tax planning as defined in Commission’s recommendation C(2012) 8806.* In particular the EIB shall not participate in any financing operation implemented in an eligible country through a jurisdiction *that:*

(a) provides for tax measures which entail no or nominal taxes or where advantages are granted even without any real

economic activity and substantial economic presence within the jurisdiction offering such tax advantages,

(b) can be identified as non-compliant in accordance with the Commission's recommendation C(2012) 8805,

(c) does not fully comply with the standards laid down in Article 26 of the OECD Model Tax Convention on Income and on Capital and ensures an effective exchange of information in tax matters, including any multilateral tax agreements,

(d) is listed as a Non-Cooperative Country and Territory by the FATF.

Amendment 41

Proposal for a decision Article 16 – paragraph 2

Text proposed by the Commission

2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations.

Amendment

2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EC) No 1073/1999, Regulation (Euratom, EC) No 2185/96 and Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the European Union, with a view to establishing whether there has been fraud, corruption, **money laundering** or any other illegal activity affecting the financial Interests of the Union in connection with any financing operations. **Where corruption is proven, the EIB shall assist asset recovery efforts by disclosing to the relevant authorities any assets held by the EIB that relate to such corruption or that derive from it.**

Amendment 42

Proposal for a decision

Article 16 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The EIB shall designate an anti-corruption officer who serves as contact point for all stakeholders, including concerned populations and organised civil society as well as internally.

Amendment 43

Proposal for a decision

Article 16 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. The contracts signed in relation to projects subject to the EU guarantee shall include stringent clauses enabling the suspension of financing support from the EIB to project's promoters and financial intermediaries where fraud, corruption or other illegal activity are under formal investigation, and their cancellation in the event of such illegal activity being proven.

Justification

The EIB needs to stop loan disbursements to projects under ongoing national or European corruption investigations, such as in the case of Sostanj where the EIB disbursed the final tranche of its loan despite an ongoing OLAF investigation (Office Européen de Lutte Anti-Fraude) taking place. On this question, the EIB answer remained vague, and it is still unclear how EIB administrative investigations are not hampering criminal investigations led by national or EU authorities.

Amendment 44

Proposal for a decision Article 18

Text proposed by the Commission

By **31 December** 2017, the Commission shall submit to the European Parliament and the Council a mid-term report evaluating the implementation of this Decision in the first years accompanied, where appropriate, by a proposal for its amendment. The report shall draw upon an external evaluation and contribution from the EIB.

Amendment

By **30 June** 2017, the Commission shall submit to the European Parliament and the Council a mid-term report evaluating the implementation of this Decision in the first years accompanied, where appropriate, by a proposal for its amendment. The report shall draw upon an *independent* external evaluation and contribution from the EIB. *The Commission's mid-term report shall contain a detailed account of the criteria in accordance with which the first years of implementation of this Decision have been assessed. It shall also contain a detailed account of the criteria for deciding to what extent the optional amount referred to in Article 2(1)(b) is to be activated. This shall ensure that, in the whole second half of its mandate, the EIB can operate with a budget in which any changes due to the mid-term review are already taken into account.*

PROCEDURE

Title	EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union	
References	COM(2013)0293 – C7-0145/2013 – 2013/0152(COD)	
Committee responsible Date announced in plenary	BUDG 10.6.2013	
Opinion by Date announced in plenary	ECON 10.6.2013	
Rapporteur Date appointed	Hans-Peter Martin 18.6.2013	
Discussed in committee	5.9.2013	14.10.2013
Date adopted	14.10.2013	
Result of final vote	+: 32 -: 0 0: 3	
Members present for the final vote	Jean-Paul Besset, Sharon Bowles, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Elisa Ferreira, Jean-Paul Gauzès, Sven Giegold, Gunnar Hökmark, Syed Kamall, Wolf Klinz, Jürgen Klute, Philippe Lamberts, Werner Langen, Astrid Lulling, Ivana Maletić, Sławomir Nitras, Antolín Sánchez Presedo, Peter Simon, Sampo Terho, Marianne Thyssen, Ramon Tremosa i Balcells, Corien Wortmann-Kool	
Substitute(s) present for the final vote	Fabrizio Bertot, Herbert Dorfmann, Sari Essayah, Petru Constantin Luhan, Thomas Mann, Catherine Stihler, Nils Torvalds, Emilie Turunen	
Substitute(s) under Rule 187(2) present for the final vote	Luís Paulo Alves, Ismail Ertug, Edite Estrela	

PROCEDURE

Title	EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union			
References	COM(2013)0293 – C7-0145/2013 – 2013/0152(COD)			
Date submitted to Parliament	23.5.2013			
Committee responsible Date announced in plenary	BUDG 10.6.2013			
Committee(s) asked for opinion(s) Date announced in plenary	AFET 10.6.2013	DEVE 10.6.2013	INTA 10.6.2013	ECON 10.6.2013
Rapporteur(s) Date appointed	Ivailo Kalfin 10.6.2013			
Date adopted	5.11.2013			
Result of final vote	+: 30 -: 2 0: 2			
Members present for the final vote	Marta Andreasen, Zuzana Brzobohatá, Göran Färm, José Manuel Fernandes, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Ingeborg Gräßle, Lucas Hartong, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Jan Kozłowski, Alain Lamassoure, Giovanni La Via, George Lyon, Claudio Morganti, Jan Mulder, Andrej Plenković, Alda Sousa, László Surján, Helga Trüpel, Derek Vaughan, Angelika Werthmann			
Substitute(s) present for the final vote	François Alfonsi, Maria Da Graça Carvalho, Derk Jan Eppink, João Ferreira, Jan Olbrycht, Paul Rübig, Peter Šťastný, Georgios Stavrakakis, Catherine Trautmann			
Date tabled	15.11.2013			