



10.2.2017

## **DRAFT 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 amending Decision No 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (COM(2016)0583 – C8-0876/2016 – 2016/0275(COD))

Rapporteur (\*): Nirj Deva

(\*) Associated committee – Rule 54 of the Rules of Procedure



## SHORT JUSTIFICATION

As the biggest multilateral lender by volume in the world, the EIB is increasingly active outside the EU, investing in projects that promote sustainable development and inclusive economic growth, guided by EU external policy objectives, therefore becoming an integral part of the External Investment Plan (EIP).

Unprecedented challenges continue to stretch the capacity of the external mandate, leaving a limited operational margin in Asia, South Africa, Central Asia, Eastern Europe, foreseen to be reduced even further under the Commission's proposed ELM ceiling. The EIB's presence in Asia and Latin America and South Africa would be cut by 50% compared to its current levels, while the bank's activity in the Eastern Neighbourhood would see a significant decline.

The Rapporteur welcomes the EIB Resilience Package, but believes that an additional EUR 3 530 000 000 beyond the Commission proposal would allow the EIB to maintain its external activities at current levels, beyond the neighbouring countries currently affected by the migration and refugee crisis.

The EIP can develop to be an incredible catalyst to sustainable growth and job creation. It provides a coherent framework to promote investment, encourage public-private partnerships and support MSMEs, by leveraging funds from the EU, its Member States (MS) and other donors and financing from Financing Institutions (FIs) and the private sector.

The Rapporteur believes that the European Commission and the EIB should maintain more of a long-term focus on sustainable development, job creation and growth, rather than investing most of its energy in tackling the response to the refugee and migration crisis. Low-income and middle-income countries are at the centre of the refugee crisis. A large majority of forcibly displaced people live in developing countries which host 89 percent of refugees and 99 percent of internally displaced persons.<sup>1</sup>

As such, a clear distinction must be made between a long-term development agenda, in the context of the Sustainable Development Goals, which includes addressing the root causes of migration and the short-term perspective of helping refugees and host communities in crisis-affected areas, as intended by Building Block 3 of the EIB Resilience Package.

The Rapporteur further believes that it is vital to support SMEs to transition into the formal sector and have better access to credit. Taking into account that 70% of all MSMEs in emerging markets lack access to credit, improving SMEs' access to finance and finding solutions to unlock sources of capital is crucial to enable this potentially dynamic sector to grow and provide the needed jobs.

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<sup>1</sup> *Forcibly Displaced - Toward a development approach supporting refugees, the internally displaced, and their hosts* ADVANCE EDITION, The World Bank, 2016, p.3  
<https://openknowledge.worldbank.org/bitstream/handle/10986/25016/9781464809385.pdf?sequence=2&isAllowed=y>

## AMENDMENTS

The Committee on Development calls on the Committee on Budgets, as the committee responsible, to take into account the following amendments:

### Amendment 1

#### Proposal for a decision

##### Recital 1

*Text proposed by the Commission*

(1) The international community faces an unprecedented refugee crisis which requires solidarity, efficient mobilisation of financial resources and the need to confront and surmount the existing challenges in a concerted manner. All actors need to work together to apply sustained, medium and **long-term** policies and an efficient use of existing **processes and** programmes in order to support initiatives which contribute to addressing root causes of migration.

*Amendment*

(1) The international community faces an unprecedented **migration and** refugee crisis which requires solidarity, efficient mobilisation of financial resources and the need to confront and surmount the existing challenges in a concerted manner. All actors need to work together to apply sustained, medium and **long-term** policies and an efficient use of existing programmes in order to **engineer and** support initiatives which contribute to **the Sustainable Development Goals (SDGs) and to** addressing root causes of migration **and the long-term consequences of forced displacement.**

Or. en

### Amendment 2

#### Proposal for a decision

##### Recital 2

*Text proposed by the Commission*

(2) A new results-oriented partnership framework with third countries which takes account of all Union policies and instruments **should** be developed. As part of **that** new partnership framework, the External Investment Plan **should** be established in order to **support** investments in regions outside the Union, while contributing to the achievement of the sustainable development **goal**. It should also fulfil the objectives of the 2030

*Amendment*

(2) A new results-oriented partnership framework with third countries which takes account of all Union policies and instruments **shall** be developed. As part of **this** new partnership framework, the External Investment Plan **shall** be established in order to **boost** investments in regions outside the Union, while **partnering with the European and local private sector and** contributing to the achievement of the **SDGs**. It should also

Agenda for Sustainable Development and the objectives pursued by the other financing instruments for external action.

fulfil the objectives of the 2030 Agenda for Sustainable Development, *the Addis Ababa Action Agenda* and the objectives pursued by the other financing instruments for external action.

Or. en

### Amendment 3

#### Proposal for a decision

##### Recital 9

###### *Text proposed by the Commission*

(9) In order to allow the ELM to respond to potential upcoming challenges and Union priorities, as well as to provide a strategic response addressing root causes of migration, the maximum ceiling for the EIB financing operations under the EU guarantee should be increased to EUR **32 300 000 000** by releasing the optional additional amount of EUR 3 000 000 000. Under the general mandate, the amount of EUR 1 400 000 000 should be earmarked for projects in the public sector directed *to refugees* and host communities *in crisis affected areas*.

###### *Amendment*

(9) In order to allow the ELM to respond to potential upcoming challenges and Union priorities, as well as to provide a strategic response addressing root causes of migration, the maximum ceiling for the EIB financing operations under the EU guarantee should be increased to EUR **35 830 000 000** by releasing the optional additional amount of EUR 3 000 000 000. Under the general mandate, the amount of EUR 1 400 000 000 should be earmarked for projects in the public sector directed *towards the development of economic and social infrastructure in partner countries, transit* and host communities, *with a focus on job creation and sustainability*.

Or. en

### Amendment 4

#### Proposal for a decision

##### Recital 10

###### *Text proposed by the Commission*

(10) Under the new private sector lending mandate, the maximum amount of EUR 2 300 000 000 should be dedicated to projects addressing root causes of

###### *Amendment*

(10) Under the new private sector lending mandate, the maximum amount of EUR 2 300 000 000 should be dedicated to projects addressing root causes of

migration within the maximum increased ceiling and should benefit from the Comprehensive Guarantee by the Union.

migration *and contributing to the long-term economic resilience of host and transit communities*, within the maximum increased ceiling and should benefit from the Comprehensive Guarantee by the Union.

Or. en

## Amendment 5

### Proposal for a decision Recital 10 a (new)

*Text proposed by the Commission*

*Amendment*

*(10 a) An extension of the new private sector lending mandate to cover Asia, Latin America and South Africa is to be considered under the next revision of the ELM. Such extension should be dedicated to projects mobilising investments and partnerships with the European and local private sector, with a view to contributing to the SDGs.*

Or. en

## Amendment 6

### Proposal for a decision Recital 10 b (new)

*Text proposed by the Commission*

*Amendment*

*(10 b) As one of the EIB's main objectives under the ELM, support for MSMEs and local private sector development requires a concerted effort for EIB operations to be focused on improving MSMEs' access to finance and credit, providing technical assistance, promoting entrepreneurship and ensuring the adequate provision of financial services to households and firms, to*

*enable MSMEs to make an easier transition from the volatile informal economy to the formal sector. EIB financing operations shall also seek to strongly support investment projects run by MSMEs from the Union, enabling access to finance, while mobilising the development of new investment projects run by European MSMEs, further facilitating the internationalisation of MSMEs.*

Or. en

## Amendment 7

### Proposal for a decision

#### Recital 11

*Text proposed by the Commission*

(11) Addressing root causes of migration should be added as a new objective of the mandate.

*Amendment*

(11) Addressing root causes of migration ***and contributing to long-term sustainable development*** should be added as a new objective of the mandate.

Or. en

## Amendment 8

### Proposal for a decision

#### Recital 12

*Text proposed by the Commission*

(12) Complementarity and coordination with Union initiatives addressing root causes of migration should be ensured, including with Union support for the sustainable reintegration of returned migrants in the countries of origin.

*Amendment*

(12) Complementarity and coordination with Union initiatives addressing root causes of migration ***and contributing to the long-term economic resilience of host and transit communities*** should be ensured, including with Union support for the sustainable reintegration of returned migrants in the countries of origin.

Or. en

## Amendment 9

### Proposal for a decision

#### Recital 15

*Text proposed by the Commission*

(15) The EIB should develop and implement a set of indicators in its Results Measurement framework for projects in the public sector and in the private sector ***directed to refugees and host communities***. Therefore, an assessment of the contribution of EIB financing operations ***addressing root causes of migration should*** be included in the Commission's annual reporting to the European Parliament and to the Council on EIB financing operations.

*Amendment*

(15) The EIB should develop and implement a set of indicators in its Results Measurement framework for projects in the public sector and in the private sector ***addressing root causes of migration and the long-term economic resilience of host and transit*** communities. Therefore, an assessment of the contribution of EIB financing operations ***towards these objectives must*** be included in the Commission's annual reporting to the European Parliament and to the Council on EIB financing operations. ***The EIB is to take all necessary steps to consolidate its accountability to the European Parliament, through transparency and access to information, by publishing the results, evaluations and impact appraisals of projects on a systematic basis via the Results Measurement Framework.***

Or. en

## Amendment 10

### Proposal for a decision

#### Recital 16

*Text proposed by the Commission*

(16) Only where it concerns the need to address urgencies and crisis situations that could arise within the mandate period and which are recognised as Union external policy priorities, the ceiling for reallocation between the regions by the EIB in the course of the mandate should be increased from 10 % to 20 %. The private sector

*Amendment*

(16) Only where it concerns the need to address urgencies and crisis situations that could arise within the mandate period and which are recognised as Union external policy priorities, the ceiling for reallocation between the regions by the EIB in the course of the mandate should be increased from 10 % to 20 %. The private sector



mandate of EUR 2 300 000 000 and the amount of EUR 1 400 000 000 dedicated to public sector projects *cannot be reallocated because its purpose is to address root causes of migration.*

mandate of EUR 2 300 000 000 and the amount of EUR 1 400 000 000 dedicated to public sector projects *under the EIB Resilience Initiative should be absorbed completely for its purpose and should not be reallocated.*

Or. en

## Amendment 11

### Proposal for a decision

#### Recital 17

##### *Text proposed by the Commission*

(17) The list of eligible regions and countries and potentially eligible regions and countries should be modified in order to exclude high income countries with high credit rating (Brunei, Iceland, Israel, Singapore, *Chile and South Korea*). In addition, Iran is to be added to the list of potentially eligible regions and countries.

##### *Amendment*

(17) The list of eligible regions and countries and potentially eligible regions and countries should be modified in order to exclude high income countries with high credit rating (Brunei, Iceland, Israel, Singapore, *South Korea and Taiwan*). In addition, *Russia is to be removed from the list of eligible regions and countries while* Iran is to be added to the list of potentially eligible regions and countries.

Or. en

## Amendment 12

### Proposal for a decision

#### Article 1 – paragraph 1 – point 1

Decision No 466/2014/EU

#### 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 2014-20 shall not exceed EUR **32 300 000 000**. Amounts initially earmarked for financing operations but subsequently cancelled shall not count against the ceiling.

##### *Amendment*

The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-20 shall not exceed EUR **35 830 000 000**. Amounts initially earmarked for financing operations but subsequently cancelled shall not count against the ceiling.

### Amendment 13

#### Proposal for a decision

##### Article 1 – paragraph 1 – point 1

Decision No 466/2014/EU

Article 2 – paragraph 1 – subparagraph 2 – point a

#### *Text proposed by the Commission*

(a) a maximum amount of EUR **30 000 000 000** under a general mandate, of which an amount of up to EUR 1 400 000 000 is earmarked for projects in the public sector *directed to refugees* and host communities;

#### *Amendment*

(a) a maximum amount of EUR **33 530 000 000** under a general mandate, of which an amount of up to EUR 1 400 000 000 is earmarked for projects in the public sector *addressing root causes of migration and the long-term social and economic infrastructure and development of forcibly displaced people* and host communities, *implemented under the EIB Resilience Initiative*;

Or. en

### Amendment 14

#### Proposal for a decision

##### Article 1 – paragraph 1 – point 1

Decision No 466/2014/EU

Article 2 – paragraph 1 – subparagraph 2 – point b

#### *Text proposed by the Commission*

(b) a maximum amount of EUR 2 300 000 000 under a private sector lending mandate for projects addressing root causes of migration.

#### *Amendment*

(b) a maximum amount of EUR 2 300 000 000 under a private sector lending mandate for projects addressing root causes of migration *and the long-term social and economic infrastructure and development of forcibly displaced people and host communities, implemented under the EIB Resilience Initiative*;

Or. en

## Amendment 15

### Proposal for a decision

#### Article 1 – paragraph 1 – point 2 – point a

Decision No 466/2014/EU

Article 3 – paragraph 1 – point d

*Text proposed by the Commission*

(d) strategic response to addressing root causes of migration.;

*Amendment*

(d) strategic response to addressing root causes of migration **and contributing to the long-term economic resilience of host and transit communities.**';

Or. en

## Amendment 16

### Proposal for a decision

#### Article 1 – paragraph 1 – point 2 – point a a (new)

Decision No 466/2014/EU

Article 3 – paragraph 4

*Present text*

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

*Amendment*

**(a a) In Article 3, paragraph 4 is amended as follows:**

"4. In developing countries, as defined in the Organisation for Economic Cooperation and Development list of official development assistance recipients, the EIB financing operations shall **focus**, in accordance with Articles 208 and 209 TFEU, **on** the objectives of the Union development cooperation policy, **in particular towards** reducing poverty through inclusive growth and sustainable **economic**, environmental and social development."

Or. en

(<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02014D0466-20160926&qid=1486646836381&from=FR>)

## Amendment 17

### Proposal for a decision

#### Article 1 – paragraph 1 – point 2 – point b

Decision No 466/2014/EU

Article 3 – paragraph 5 – subparagraph 1

#### *Text proposed by the Commission*

To ensure that private sector investments have the greatest development impact, the EIB shall endeavour to strengthen the local private sector in beneficiary countries through support to local investment as provided for in point (a) of paragraph 1. EIB financing operations supporting the general objectives set out in paragraph 1 shall endeavour to **also** enhance its support to investment projects run by **SMEs** from the Union. In order to effectively monitor the use of funds for the benefit of the **SMEs** concerned, the EIB shall establish and maintain adequate contractual provisions imposing standard reporting obligations on both the financial intermediaries and the beneficiaries;

#### *Amendment*

To ensure that private sector investments have the greatest development impact, the EIB shall endeavour to strengthen the local private sector, **including MSMEs** in beneficiary countries through support to local investment as provided for in point (a) of paragraph 1. EIB financing operations supporting the general objectives set out in paragraph 1 shall endeavour to enhance its support to investment projects run by **MSMEs** from the Union, **enabling access to finance, while mobilising the development of new investment projects run by European MSMEs, further facilitating the internationalisation of MSMEs**. In order to effectively monitor the use of funds for the benefit of the **MSMEs** concerned, the EIB shall **carry out thorough due diligence and** establish and maintain adequate contractual provisions imposing standard reporting obligations on both the financial intermediaries and the beneficiaries.

Or. en

## Amendment 18

### Proposal for a decision

#### Article 1 – paragraph 1 – point 5 – point a

Decision No 466/2014/EU

Article 11 – paragraph 1 – point b

#### *Text proposed by the Commission*

(b) Indicators for projects providing strategic response addressing root causes of

#### *Amendment*

(b) Indicators for projects providing strategic response addressing root causes of

migration shall be developed by the EIB;

migration *and contributing to the long-term economic resilience of host and transit communities* shall be developed by the EIB;'

Or. en

## Amendment 19

### Proposal for a decision

#### Article 1 – paragraph 1 – point 5 – point b

Decision No 466/2014/EU

Article 11 – paragraph 1 – point j

#### *Text proposed by the Commission*

(j) An assessment of the contribution of EIB financing operations in providing strategic response addressing root causes of migration. ;

#### *Amendment*

(j) An assessment of the contribution of EIB financing operations in providing strategic response addressing root causes of migration *and contributing to the long-term economic resilience of host and transit communities* ';

Or. en

## Amendment 20

### Proposal for a decision

#### Annex II – point B – point 2 – paragraph 1

Decision No 466/2014/EU

Annex II – point B – paragraph 2

#### *Text proposed by the Commission*

Eastern Europe, Southern Caucasus *and Russia*

#### *Amendment*

Eastern Europe, Southern Caucasus

Or. en

## Amendment 21

### Proposal for a decision

#### Annex II – point B – point 2 – paragraph 4

Decision No 466/2014/EU  
Annex II – point B – paragraph 2

*Text proposed by the Commission*

*Amendment*

**Russia**

*deleted*

Or. en

## **Amendment 22**

### **Proposal for a decision**

#### **Annex II – point C – point 1 – paragraph 2**

Decision No 466/2014/EU

Annex II – point C – paragraph 1

*Text proposed by the Commission*

*Amendment*

Argentina, Bolivia, Brazil, Colombia,  
Costa Rica, Cuba, Ecuador, El Salvador,  
Guatemala, Honduras, Mexico, Nicaragua,  
Panama, Paraguay, Peru, Uruguay,  
Venezuela

Argentina, Bolivia, Brazil, **Chile**,  
Colombia, Costa Rica, Cuba, Ecuador, El  
Salvador, Guatemala, Honduras, Mexico,  
Nicaragua, Panama, Paraguay, Peru,  
Uruguay, Venezuela

Or. en

## **Amendment 23**

### **Proposal for a decision**

#### **Annex III – point B – point 2 – paragraph 1**

Decision No 466/2014/EU

Annex III – point B – paragraph 2

*Text proposed by the Commission*

*Amendment*

Eastern Europe, Southern Caucasus **and**  
**Russia**

Eastern Europe, Southern Caucasus

Or. en

## **Amendment 24**

### **Proposal for a decision**

**Annex III – point B – point 2 – paragraph 4**

Decision No 466/2014/EU

Annex III – point B – paragraph 2

*Text proposed by the Commission*

*Amendment*

***Russia***

***deleted***

Or. en

**Amendment 25**

**Proposal for a decision**

**Annex III – point C – point 1 – paragraph 2**

Decision No 466/2014/EU

Annex III – point C – paragraph 1

*Text proposed by the Commission*

*Amendment*

Argentina, Bolivia, Brazil, Colombia,  
Costa Rica, Ecuador, El Salvador,  
Guatemala, Honduras, Mexico, Nicaragua,  
Panama, Paraguay, Peru, Uruguay,  
Venezuela

Argentina, Bolivia, Brazil, ***Chile***,  
Colombia, Costa Rica, Ecuador, El  
Salvador, Guatemala, Honduras, Mexico,  
Nicaragua, Panama, Paraguay, Peru,  
Uruguay, Venezuela

Or. en