European Parliament
2014-2019

Committee on International Trade

2016/0275(COD)

28.2.2017

OPINION

of the Committee on International Trade

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 – C8-0376/2016 – 2016/0275(COD))

Rapporteur: Salvatore Cicu

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AMENDMENTS

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

Amendment 1

Proposal for a decision
Recital 2

Text proposed by the Commission	*Amendment*
(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 Agenda for Sustainable Development and the objectives pursued by the other financing instruments for external action.	(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 ***inclusive and sustainable development, wealth creation and to*** the achievement of the ***Sustainable Development Goals (SDGs)***. It should also fulfil the objectives of the 2030 Agenda for Sustainable Development and the objectives pursued by the other financing instruments for external action.

Amendment 2

Proposal for a decision
Recital 8 a (new)

Text proposed by the Commission	*Amendment*
	(8a) The EIB has been entrusted with additional tasks, for instance in the field of European economic diplomacy. In order to be able to deliver in that regard, the EIB needs sufficient financial means. The success of the Guarantee Fund under the External Lending Mandate enables the EIB to deliver concrete results and

enables an impact at Union level via sound projects in third countries at minimal cost to the Union budget. In light of growing demands on the EIB as the Union's financial arm, it is considered important to reinforce this successful instrument and the Commission should increase the budget provisioning for the Guarantee Fund provided to the EIB at the time of the next legislative proposal covering the period 2021-2028.

Amendment 3

Proposal for a decision
Recital 9

Text proposed by the Commission	*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 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.	(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 38 500 000 000***. 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.

Justification

The Commission proposal would have a direct and immediate impact on other pressing EU policies and priorities. De facto, it would require a significant reduction of EIB annual activity in the Eastern Neighbourhood, including Ukraine. Annual activity in the East would either have to be cut down by around 70% compared to current annual lending levels. The proposed ceilings for Asia & Latin America and South Africa would result in a 50% reduction of annual activity compared to current levels.

Amendment 4

Proposal for a decision
Recital 11

Text proposed by the Commission	*Amendment*
(11) Addressing root causes of migration should be added as a new objective of the mandate.	(11) Addressing root causes of migration should be added as a new objective of the mandate ***and every project financed under this new objective should be in compliance with Article 21 of the Treaty on European Union (TEU)***.

Amendment 5

Proposal for a decision
Recital 12

Text proposed by the Commission	*Amendment*
(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.	(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. ***The EIB should therefore cooperate closely with the EEAS and should be able to call upon the relevant international organisations such as the IOM and the UNHCR where necessary.***

Amendment 6

Proposal for a decision
Recital 13

Text proposed by the Commission	*Amendment*
(13) Following the Paris Agreement adopted under the United Nations Framework Convention on Climate Change, the EIB should aim to ***sustain*** the current high level of climate relevant spending under the ELM, contributing to increasing its climate-related investment in developing countries from 25 % to 35 %	(13) Following the Paris Agreement adopted under the United Nations Framework Convention on Climate Change, the EIB should aim to ***increase*** the current high level of climate relevant spending under the ELM, contributing to increasing its climate-related investment in developing countries from 25 % to 35 % by 2020***, according to the commitment***

by 2020.	***taken in its climate strategy***.

Justification

In its climate strategy adopted at the end of 2015, the EIB took the commitment to raise its level of climate action projects in developing countries up to 35% by the end of 2020. This announcement should be reflected in its External Mandate.

Amendment 7

Proposal for a decision
Recital 15

Text proposed by the Commission	*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 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.	(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 ***including indicators allowing the project's contribution to the achievement of the SDGs, combatting the root causes of migration, and the involvement of civil societies of host communities to be measured. An*** assessment of the contribution of EIB financing operations addressing ***those factors*** should be included in the Commission's annual reporting to the European Parliament and to the Council on EIB financing operations, ***ensuring full accountability and transparency. The EIB should improve appropriate access to information, not only for the European Parliament and other institutions but also for the general public, especially with regard to the system of contracts and subcontracts and the financial data concerning projects financed by the EIB.***

Amendment 8

Proposal for a decision
Recital 16

Text proposed by the Commission	*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.	(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 ***EIB should notify the European Parliament of any reallocation decision by providing a justification report and an impact assessment. 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.

Amendment 9

Proposal for a decision
Recital 17

Text proposed by the Commission	*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, Chile and South Korea). In addition, Iran is to be added to the list of potentially eligible regions and countries.	(17) The list of eligible regions and countries and potentially eligible regions and countries should be ***designed in order to achieve the greatest development impact and*** 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 10

Proposal for a decision
Recital 17 a (new)

Text proposed by the Commission	*Amendment*
	(17a) The European Council underlined the key role the EIB plays in the Union´s external economic relations and called at its meeting on 20 and 21 March 2014 on the EIB 'to further contribute to enhancing European companies' internationalisation and competitiveness.' Access to finance is one of the most pressing challenges for SMEs. Therefore an EIB strategy to enable further and improved access to funding for SMEs is necessary, including through trade facilitation programmes and initiatives such as the European Progress Microfinance facility and the new facilities for financing European SME trade activities. In addition, more proactive SME and microenterprise policy requirements for intermediary banks disbursing EIB funds should be established and transparency with regard to the assessment of the local economic and social impact of the EIB's intermediated loans should be further improved.

Amendment 11

Proposal for a decision
Recital 17 b (new)

Text proposed by the Commission	*Amendment*
	(17b) The EIB's quantitative targets for climate-related actions are well on track. The EIB has pledged to increase even further its focus on Climate Action in developing countries to up to 35 % by 2020. In order to enable the EIB to achieve this target, objective regional

ceilings need to be allocated with sufficient funding, otherwise the EIB will have to reduce its activities in Asia and Latin America, regions where it has traditionally been very active in climate finance.

Amendment 12

Proposal for a decision
Article 1 – paragraph 1 – point 1
Decision 466/2014/EU
Article 2 – paragraph 1

Text proposed by the Commission	*Amendment*
1. 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.	1. The maximum ceiling of the EIB financing operations under EU guarantee throughout the period 2014-20 shall not exceed ***EUR 38 500 000 000***. 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 466/2014/EU
Article 2 – paragraph 1 – point a

Text proposed by the Commission	*Amendment*
(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;	(a) a maximum amount of ***EUR 36 200 000 000*** under a general mandate, of which an amount of up to ***EUR 2 500 000 000*** is earmarked for projects in the public sector directed to refugees and host communities ***as well as to addressing the root causes of migration***;

Amendment 14

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	*Amendment*
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;	To ensure that private sector investments have the greatest development impact, the EIB shall endeavour to strengthen the local private sector ***and contribute to creating favourable conditions for private enterprise and investment*** 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***. EIB financing operations shall contribute to improving market access for SMEs in the Union's third country partners and their integration into global value chains and shall further contribute to enhancing Union companies' internationalisation and competitiveness***. 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; ***The EIB endeavours to identify the obstacles to access to funding by SMEs and ensures to overcome them;***

Amendment 15

Proposal for a decision
Article 1 – paragraph 1 – point 2 – point b a (new)
Decision 466/2014/EU
Article 3 – paragraph 6

Present text	*Amendment*
	(ba) in Article 3, paragraph 6 is replaced by the following:
"6. EIB financing operations supporting the general objective set out in point (b) of paragraph 1 shall support investment projects predominantly in the areas of transport, energy, environmental infrastructure, information and communication technology, health and education. This includes production and integration of energy from renewable sources, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, sustainable energy security and energy infrastructure**,** ***including for gas production and transportation to Union energy market***, as well as electrification of rural areas, environmental infrastructure such as water and sanitation and green infrastructure, telecommunications and broadband network infrastructure."	"6. EIB financing operations supporting the general objective set out in point (b) of paragraph 1 shall support investment projects predominantly in the areas of transport, energy, environmental infrastructure, information and communication technology, health and education. This includes production and integration of energy from renewable sources, energy ***efficiency measures, energy*** systems transformation enabling a switch to lower carbon intensive technologies and fuels, sustainable energy security and energy infrastructure, as well as electrification of rural areas, environmental infrastructure such as water and sanitation and green infrastructure, telecommunications and broadband network infrastructure."

(http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014D0466&from=EN)

Justification

Gas production and transportation should not be covered by the EU Guarantee given that it constitutes a fossil fuel subsidy. The Decision should put in place the conclusions of the European Council of 22 May 2013 to phase out environmentally or economically harmful subsidies, including for fossil fuels.

Amendment 16

Proposal for a decision
Article 1 – paragraph 1 – point 2 – point c
Decision 466/2014/EU
Article 3 – paragraph 7 – subparagraph 4 a (new)

Text proposed by the Commission	*Amendment*
	EIB operations should inter alia integrate concrete actions to phase out financing

projects detrimental to the achievement of Union's climate objectives and step up efforts to support renewable energy sources and energy efficiency.

Amendment 17

Proposal for a decision
Article 1 – paragraph 1 – point 2 – point c
Decision No 466/2014/EU
Article 3 – paragraph 8 – subparagraph 1

Text proposed by the Commission	*Amendment*
EIB financing operations supporting the general objectives set out in point (d) of paragraph 1 shall back investment projects that address root causes of the migration and contribute to long-term economic resilience and safeguard sustainable development in beneficiary countries. EIB financing operations shall, in particular, address increased needs for infrastructure ***and related services to cater for the migrants influx, and boost employment opportunities*** for host and refugee communities to foster economic integration and enable refugees to become self-reliant.	EIB financing operations supporting the general objectives set out in point (d) of paragraph 1 shall back investment projects that address root causes of the migration and contribute to long term economic resilience and safeguard sustainable development in beneficiary countries ***including strengthening humanitarian action and providing support for the construction of infrastructure and job creation while ensuring compliance with the SDGs***. EIB financing operations shall, in particular, address increased needs for infrastructure ***and transport, energy and access to energy and telecommunications as these projects significantly increase the potential of trade and can have a leverage effect in the internationalisation of SMEs, especially in regions with geographical disadvantages, but also tap the potential in sectors such as agriculture, green technologies, research and innovation and property rights, as well as***, ***strengthen humanitarian action, support the creation of decent jobs and education*** for host and refugee communities to foster economic integration and enable refugees to become self-reliant***, while ensuring the full respect of human rights, in particular labour and social rights and the rule of law.***

Amendment 18

Proposal for a decision
Article 1 – paragraph 1 – point 2 – point c
Decision No 466/2014/EU
Article 3 – paragraph 8 – point b

Text proposed by the Commission	*Amendment*
(b) the public sector, including municipalities and public sector entities, in terms of infrastructure and services to address significantly increased needs.**'**;	(b) the public sector, including municipalities and public sector entities, in terms of infrastructure and services***, and particularly for health care and with special facilities for children, for sanitation services and school education,*** to address significantly increased needs.;

Justification

Medical treatment in particular of children, successful prevention of diseases by sufficient sanitary supplies, and provision of school education rank high among the needs for migrating children and their families.

Amendment 19

Proposal for a decision
Article 1 – paragraph 1 – point 2 – point c a (new)
Decision 466/2014/EU
Article 3 – paragraph 8 a (new)

Text proposed by the Commission	*Amendment*
	(ca) the following paragraph is added:
	8a. SME-related programmes in third countries should be geared towards their integration into global supply chains, whereas, in the Eastern and Southern neighbourhood in particular, such EIB programmes should be oriented to the integration of SMEs into European value chains.

Amendment 20

Proposal for a decision

Article 1 – paragraph 1 – point 2 – point c b (new)
Decision 466/2014/EU
Article 3 – paragraph 8 b (new)

Text proposed by the Commission	*Amendment*
	(cb) the following paragraph is added:
	8b. The EIB shall ensure that companies participating in projects co-financed by the EIB shall be required to adhere to the principle of equal pay and pay transparency and to the principle of gender equality as set out in Directive 2006/54/EC of the European Parliament and of the Council[1a] EIB decisions on project financing shall take into account action by candidate companies in the field of corporate social responsibility;
	[1a] Directive 2006/54/EC of the European Parliament and of the Council1a of 5 June 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006, p. 23).

Amendment 21

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	*Amendment*
(b) Indicators for projects providing strategic response addressing root causes of migration shall be developed by the EIB***;***	(b) Indicators for projects providing strategic response addressing root causes of migration shall be developed by the EIB***, in detailed and regular consultation and cooperation with stakeholders and civil society;***

Amendment 22

Proposal for a decision
Article 1 – paragraph 1 – point 5 – point a a (new)
Decision 466/2014/EU
Article 11 – paragraph 1 – point c

Present text	*Amendment*
	(aa) point (c) is replaced by the following:
"(c) an assessment of the contribution of EIB financing operations to the fulfilment of Union external policy and strategic objectives***,*** taking into account the ***regional technical operational guidelines referred to in Article 5;***"	"(c) an assessment of the contribution of EIB financing operations to the fulfilment of Union external policy and strategic objectives ***and of their coherence with other Union policies.***
	The Commission shall, in cooperation with the European External Action Service (EEAS), establish a framework and methodology for annual reporting by the EIB on its operations covered by the Community Guarantee and their compliance with the general principles guiding Union external action as referred in Article 21 TEU. The key objective of this reporting is to monitor the compliance of the EIB with TEU obligations and the Article 21 provisions, including respect and promotion of human rights, eradication of poverty, and the management of environmental risks.
	This methodology shall be developed by the Commission and the EEAS during the first year following the entry into force of this amending Decision and will build on reporting on human rights compliance by the EIB, as requested by the EU Strategic Framework and Action Plan for Human Rights.
	Based on the annual reporting from the EIB, the Commission shall produce each year for the European Parliament its own evaluation of the information provided by the EIB and suggest eventual changes in the policies and procedures followed by the Bank for adoption by the Member

States after taking into account the ***opinion of the Parliament on them. Eventual recommendations by the European Commission and the European Parliament on how to improve EIB reporting to this end shall be reflected during the updating of the Regional Technical Operational Guidelines.***"

(http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014D0466&from=EN)

Justification

The main concern regarding EIB lending outside of the EU remains the operationalization on the ground of the provisions set out in the ELM. In this regard, building a mechanism of assessment of compliance with Article 21 of the TEU would be of prime importance to move the EIB to create and implement effective due diligence procedures in the screening of operations supported by the Bank with regard to their potential impact on human rights, poverty eradication and environment.

Amendment 23

Proposal for a decision
Article 1 – paragraph 1 – point 5 a (new)
Decision No 466/2014/EU
Article 11 – paragraph 2

Present text	*Amendment*
	(5a) in Article 11, paragraph 2 is amended as follows:
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 European Parliament and the Council to have a comprehensive overview of EIB external activity.	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 European Parliament and the Council to have a comprehensive overview of EIB external activity. ***The European Parliament may, on the basis of the yearly reports, draw up recommendations to the EIB concerning***

ongoing projects.

Amendment 24

Proposal for a decision
Article 1 – paragraph 1 – point 6
Decision No 466/2014/EU
Article 20

Text proposed by the Commission	*Amendment*
By 31 December 2021, the Commission shall ***present*** to the European Parliament and to the Council a final evaluation report on the application of this Decision.	***In order to strengthen parliamentary control, the governance structure of the EIB shall be reorganised in accordance with the strengthened governance scheme of the European Fund for Strategic Investments (EFSI). The Commission shall provide information on the implementation of that reorganisation by 31 December 2017. Furthermore, the EIB shall inform the European Parliament of its investment decisions, present impact assessments that show the compliance of planned projects with the SDGs and the Paris Agreement as well as publish reports on any project financed, the outcome of in-house investigations, the selection, supervision, and assessment of its activities and programmes based on clear measurable indicators, and the methods used for, and the findings of, ex ante assessments and ex post reports for every project financed, while respecting commercial sensitivity regarding private sector operations, especially with regards the reasons for rejection of projects submitted.*** By 31 December 2021, the Commission shall ***submit*** to the European Parliament and to the Council a final evaluation report on the application of this Decision.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union
References	COM(2016)0583 – C8-0376/2016 – 2016/0275(COD)
Committee responsible Date announced in plenary	BUDG 6.10.2016
Opinion by Date announced in plenary	INTA 6.10.2016
Rapporteur Date appointed	Salvatore Cicu 12.10.2016
Discussed in committee	24.1.2017
Date adopted	28.2.2017
Result of final vote	+: 29 –: 4 0: 2
Members present for the final vote	Laima Liucija Andrikienė, Maria Arena, Tiziana Beghin, David Campbell Bannerman, Daniel Caspary, Salvatore Cicu, Christofer Fjellner, Karoline Graswander-Hainz, Heidi Hautala, Bernd Lange, David Martin, Emmanuel Maurel, Emma McClarkin, Anne-Marie Mineur, Sorin Moisă, Artis Pabriks, Franck Proust, Tokia Saïfi, Marietje Schaake, Helmut Scholz, Joachim Schuster, Joachim Starbatty, Adam Szejnfeld, Hannu Takkula, Iuliu Winkler
Substitutes present for the final vote	Reimer Böge, Klaus Buchner, Sergio Gutiérrez Prieto, Sander Loones, Georg Mayer, Fernando Ruas, José Ignacio Salafranca Sánchez-Neyra, Pedro Silva Pereira
Substitutes under Rule 200(2) present for the final vote	Jean-François Jalkh, Joëlle Mélin

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

29	+
ALDE	Schaake Marietje, Takkula Hannu
ECR	Campbell Bannerman David, Loones Sander, McClarkin Emma, Starbatty Joachim
EFDD	Beghin Tiziana
PPE	Andrikienė Laima Liucija, Böge Reimer, Caspary Daniel, Cicu Salvatore, Fjellner Christofer, Pabriks Artis, Proust Franck, Ruas Fernando, Salafranca Sánchez-Neyra José Ignacio, Saïfi Tokia, Szejnfeld Adam, Winkler Iuliu
S&D	Arena Maria, Graswander-Hainz Karoline, Gutiérrez Prieto Sergio, Lange Bernd, Martin David, Maurel Emmanuel, Moisă Sorin, Schuster Joachim, Silva Pereira Pedro
VERTS/ALE	Buchner Klaus

4	–
ENF	Jalkh Jean-François, Mayer Georg, Mélin Joëlle
GUE/NGL	Mineur Anne-Marie

2	0
GUE/NGL	Scholz Helmut
VERTS/ALE	Hautala Heidi

Key:
+ : in favour
- : against
0 : abstentions