



EUROPEAN PARLIAMENT

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A7-0156/2014

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*****I**
REPORT

on the proposal for a decision of the European Parliament and of the Council
on the participation of the European Union in the capital increase of the
European Investment Fund
(COM(2014)0066 – C7-0030/2014 – 2014/0034(COD))

Committee on Budgets

Rapporteur: Eider Gardiazábal Rubial

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

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a decision of the European Parliament and of the Council on the participation of the European Union in the capital increase of the European Investment Fund

(COM(2014)0066 – C7-0030/2014 – 2014/0034(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2014)0066),
 - having regard to Article 294(2) and Article 173(3) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0030/2014),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - after consulting the European Economic and Social Committee,
 - having regard to Rules 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A7-0156/2014),
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;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

2014/0034 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the participation of the European Union in the capital increase of the European Investment Fund

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 173(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee,

Acting in accordance with the ordinary legislative procedure,

Whereas:

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ■.

- (1) Pursuant to Council Decision 94/375/EC¹, the European Investment Fund (the "Fund") was founded in 1994 to "stimulate sustained and balanced growth within the Community".
- (2) Following an increase of the Fund's subscribed capital in 2007, the authorised capital of the Fund is EUR 3 billion, divided into 3 000 shares of EUR 1 million each with a ratio of 20 % paid-in. The Union, represented by the Commission, participated in the previous increase of the Fund's subscribed capital in accordance with Council Decision 2007/247/EC².
- (3) Consequently, the Union, represented by the Commission, is currently subscribed to in total 900 shares of the Fund for a nominal value of EUR 900 million, of which EUR 180 million are paid-in.
- (4) The European Council of 28-29 June 2012 adopted the "Compact for Growth and Jobs" to stimulate smart, sustainable, inclusive, resource efficient and job-creating growth. In this context, the European Council in its conclusions emphasized, among the further urgent actions needed at Union level to boost growth and jobs, enhance the financing of the economy and make Europe more competitive as a location for production and investment, that the action of the Fund should be developed, particularly as regards its venture activity, in liaison with existing national structures such as national promotional banks and institutions.
- (5) In order to further promote investment and access to credit, the European Council of 28-29 June 2013 launched a "New Investment Plan for Europe" to support small and medium-sized enterprises (SMEs) and boost the financing of the economy. In this context, the European Council in its conclusions asked the Commission and the EIB to implement an increase in Fund's credit enhancement capacity as a matter of priority.

¹ Council Decision 94/375/EC of 6 June 1994 on Community membership of the European Investment Fund (OJ L 173, 7.7.1994, p. 12).

² Council Decision 2007/247/EC of 19 April 2007 on the Community participation in the capital increase of the European Investment Fund (OJ L 107, 25.4.2007, p. 5).

- (6) Recalling that restoring normal lending to the economy, in particular to SMEs, remains a priority, the European Council of December 2013 called on the Commission and the EIB to further enhance the capacity of the Fund through an increase in its capital with a view to reaching final agreement by May 2014.
- (7) The current size of Fund's own funds does not allow for a substantial increase in the Fund's activity, in response to the call of the European Council, as the guarantee and venture capital operations of the Fund may not exceed the ceilings set by Article 26 of the Statutes of the Fund or by the General Meeting of the Fund. Furthermore, the credit enhancement capacity of the Fund is limited by the size of its available own funds.
- (8) The Fund's Board of Directors has therefore on 26 November 2013 given its approval as to its rationale the increase in the Fund's subscribed capital by up to EUR 1,500 million, allowing for the necessary increase of the own funds. The technical modalities and detailed procedure for the increase will be submitted to the Board of Directors in due course requesting authorisation to submit a proposal to the 2014 General Meeting of the Fund for approval.
- (9) New shares should be subscribed by the Fund's shareholders at their discretion over a four-year period, starting in 2014 and ending in 2017. The price of the new shares should be set annually and be based on the net asset value formula agreed between the Fund's shareholders.
- (10) The annual dividends to be received during the years 2014 to 2017 for the participation of the Union in the Fund should be considered as external assigned revenue and be used to cover part of the cost of the capital increase. This should increase the amount of budgetary funds available for the capital increase, thus supporting the objective of maintaining the relative shareholding of the Union in the Fund at its current level (30 %).
- (11) It is appropriate for the Union to participate in the capital increase of the Fund in order to achieve the Union's objectives of encouraging an environment favourable to initiative and to the development of undertakings throughout the Union, particularly

SMEs, and of fostering better exploitation of the industrial potential of its policies of innovation, research and technological development, as articulated in the conclusions of the European Council of June 2012, June 2013 and December 2013 and detailed in the "Compact for Growth and Jobs" and "New Investment Plan for Europe".

(11a) With regard to the specific objectives pursued by the Union's participation in the increase of the Fund's capital, notably the Fund's support of actions which complement Member States' actions in favour of enterprises, particularly SMEs, Article 173(3) of the Treaty on the Functioning of the European Union provides the necessary powers for the adoption of this Decision.

(12) In order to allow the Union representative in the EIF General Meeting to vote on the capital increase as soon as possible, the Decision should enter into force on the day following that of its publication.

HAVE ADOPTED THIS DECISION:

Article -1

This Decision aims to increase the European Investment Fund (the "Fund") support of actions which complement Member States' actions in favour of enterprises, particularly small and medium enterprises.

Article 1

In addition to its current shareholding in the European Investment Fund (the Fund), the Union shall subscribe for up to 450 shares each of a nominal value of EUR 1 million in the Fund. The subscription of shares and the annual payments shall be carried out in accordance with the terms and conditions that shall be approved by the General Meeting of the Fund.

Article 2

The Union shall purchase the new shares in the Fund over a four-year period starting in 2014. During 2014 to 2017, the dividends received for the participation of the Union in the Fund

shall be considered as external assigned revenue, in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012¹, to cover part of the cost of subscription.

In addition, a total amount of up to EUR 170 million for the whole period shall be available within the general budget of the European Union to cover the remaining cost, making use of appropriations already programmed within Heading 1a of the Multi-annual Financial Framework 2014-2020 in order to leave unchanged the total expenditure allocated. The budgetary commitment may be broken down into annual instalments over four years in accordance with Article 85(4) of Regulation (EU, Euratom) No 966/2012.

Article 2a

The Commission shall monitor how the objective set out in Article -1 has been achieved by this Decision and present two reports to the European Parliament and to the Council: an interim report by 31 December 2016 and a final report by 31 December 2018.

Article 3

This Decision shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament

For the Council

The President

The President

¹ 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).

PROCEDURE

Title	Capital increase of the European Investment Fund	
References	COM(2014)0066 – C7-0030/2014 – 2014/0034(COD)	
Date submitted to Parliament	6.2.2014	
Committee responsible Date announced in plenary	BUDG 24.2.2014	
Committee(s) asked for opinion(s) Date announced in plenary	ECON 24.2.2014	ITRE 24.2.2014
Not delivering opinions Date of decision	ECON 18.2.2014	ITRE 12.2.2014
Rapporteur(s) Date appointed	Eider Gardiazábal Rubial 12.2.2014	
Date adopted	4.3.2014	
Result of final vote	+: –: 0:	35 1 0
Members present for the final vote	Marta Andreasen, James Elles, Göran Färm, Věra Flasarová, Eider Gardiazábal Rubial, Salvador Garriga Polledo, Ivars Godmanis, Ingeborg Gräßle, Lucas Hartong, Jutta Haug, Monika Hohlmeier, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Jan Kozłowski, Alain Lamassoure, George Lyon, Claudio Morganti, Jan Mulder, Nadezhda Neynsky, Andrej Plenković, Dominique Riquet, Alda Sousa, Helga Trüpel, Angelika Werthmann	
Substitute(s) present for the final vote	François Alfonsi, Frédéric Daerden, Edit Herczog, Paul Rübig, Peter Šťastný, Georgios Stavrakakis, Nils Torvalds, Catherine Trautmann	
Substitute(s) under Rule 187(2) present for the final vote	Inés Ayala Sender, Antonio Cancian, María Auxiliadora Correa Zamora	
Date tabled	4.3.2014	