



2016/0275(COD)

22.3.2017

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 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: Eduard Kukan

PA_Legam

SHORT JUSTIFICATION

The Commission proposal aims at expanding the External Lending Mandate of the European Investment Bank (EIB) both quantitatively and qualitatively, in particular with the objective of stepping up activities in the Southern Neighbourhood and Western Balkans and contributing to the new External Investment Plan.

The Rapporteur welcomes this proposal, but considers that it needs to be accompanied with an adequate increase of the ceiling for EIB financing operations under EU guarantee to avoid that existing priority operations need to be discontinued. This is above all the case of EIB activities in Ukraine where it is estimated that lending at current levels would exhaust the proposed envelope already before mid-2018.

The Rapporteur supports greater strategic focus on the root causes of migration as well as projects to support host communities in the priority regions. More clarity is however needed in the proposal as to distinguishing between these different objectives and the amounts earmarked for them.

The Rapporteur also supports the idea to give the EIB the possibility to finance projects under the new private sector lending mandate before entry into force of this Decision (so-called “warehousing”).

It is also the Rapporteur’s belief that the essential link between the EIB operations and EU external policy should be further strengthened. In particular, the country distribution within the regional ceilings should fully reflect external policy priorities and constraints and should be defined in consultation with the European External Action Service.

Furthermore, transparency should be improved with regard to EIB projects financed through financial intermediaries.

AMENDMENTS

The Committee on Foreign Affairs 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

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 processes and programmes in order to support initiatives which contribute to addressing root causes of migration.

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 ***and building the resilience of transit and host communities.***

Amendment 2

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 ***maintain current levels of support for*** Union priorities ***as outlined in the Global Strategy on the European Union's Foreign and Security Policy ('EU Global Strategy')***, ***respond to potential upcoming challenges and*** 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 ***36 300 000 000, inter alia*** 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 ***aimed at enhancing resilience of migrants, refugees and transit and host communities.***

Amendment 3

Proposal for a decision Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) While addressing root causes of the migration and refugee crisis is paramount, that should not come at the cost of policies in other areas of key strategic priority as outlined in the EU

Amendment 4

Proposal for a decision Recital 10 a (new)

Text proposed by the Commission

Amendment

(10 a) Given the need for the swift implementation of the EIB Resilience Initiative, the EIB should be able to warehouse projects under the private sector lending mandate, subject to conditions to be agreed between the Commission and the EIB.

Amendment 5

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 ***and building resilience of transit and host communities*** should be added as a new objective of the mandate ***and should be pursued in full compliance with Article 21 of the Treaty on European Union (TEU). The EIB should carry out thorough due diligence and project monitoring in order to ensure compliance and it should maintain a complaints mechanism accessible to all stakeholders. The compliance with Article 21 TEU, including on the respect of human rights, the eradication of poverty and the management of environmental risks, should be assessed by the Commission in its annual reporting.***

Amendment 6

Proposal for a decision Recital 13

Text proposed by the Commission

(13) Following the Paris Agreement adopted under the United Nations Framework Convention on Climate Change⁴, 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 % by 2020.

⁴ Council Decision (EU) 2016/590 of 11 April 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 103, 19.4.2016, p. 1).

Amendment

(13) Following the Paris Agreement adopted under the United Nations Framework Convention on Climate Change⁴, the EIB should aim to **increase** the current level of climate relevant spending under the ELM, contributing to increasing its climate-related investment in developing countries from 25 % to 35 % by 2020, **in accordance with the commitment taken as part of its climate strategy**.

⁴ Council Decision (EU) 2016/590 of 11 April 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 103, 19.4.2016, p. 1).

Amendment 7

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 enhancing resilience of migrants, refugees and transit** and host communities. Therefore, an assessment of the contribution of EIB financing operations **towards those objectives** should be included in the Commission's annual reporting to the European Parliament and to the Council on EIB financing operations.

Amendment 8

Proposal for a decision Recital 15 a (new)

Text proposed by the Commission

Amendment

(15 a) Greater visibility and transparency of EIB operations under the ELM should be ensured, in particular with regard to sub-projects financed through financial intermediaries, improving access to information for the institutions of the Union and for the general public.

Amendment 9

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 private sector 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.***

Amendment 10

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

(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.

to exclude high income countries with high credit rating (Brunei, Iceland, Israel, Singapore, Chile and South Korea). In addition, ***Russia is to be removed from the list of eligible regions and countries*** and Iran is to be added to the list of potentially eligible regions and countries.

Amendment 11

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 **36 300 000 000**. Amounts initially earmarked for financing operations but subsequently cancelled shall not count against the ceiling.

Amendment 12

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 **34 000 000 000** under a general mandate, of which an amount of up to EUR 1 400 000 000 is earmarked for projects in the public sector ***aimed at enhancing resilience of migrants, refugees and transit and host communities***;

Amendment 13

Proposal for a decision

Article 1 – paragraph 1 – point 1

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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, ***implemented under the EIB Resilience Initiative.***

Amendment 14

Proposal for a decision

Article 1 – paragraph 1 – point 1

Decision No 466/2014/EU

Article 2 – paragraph 2

Text proposed by the Commission

2. The maximum amounts under the general mandate and the private sector lending mandate referred to in paragraph 1 shall be broken down into regional ceilings and sub-ceilings as laid down in Annex I. Within the regional ceilings, the EIB shall ***progressively ensure a balanced*** country distribution within the regions covered by the EU guarantee.’;

Amendment

2. The maximum amounts under the general mandate and the private sector lending mandate referred to in paragraph 1 shall be broken down into regional ceilings and sub-ceilings as laid down in Annex I. Within the regional ceilings, the EIB shall ensure ***an adequate*** country distribution within the regions covered by the EU guarantee, ***in line with Union external policy priorities which shall be reflected in the regional technical operational guidelines referred to in Article 5.***’;

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 building resilience of transit and host communities.***’;

Amendment 16

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 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. ***The EIB shall allow more risk-taking, flexibility and a development approach as well as enabling accurate impact measurements.*** 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 17

Proposal for a decision

Article 1 – paragraph 1 – point 2 – point c

Decision No 466/2014/EU

Article 3 – paragraph 7 – subparagraph 1

Text proposed by the Commission

EIB financing operations supporting the general objectives set out in point (c) of paragraph 1 shall back investment projects in climate change mitigation and adaptation that contribute to the overall objectives of the United Nations Framework Convention on Climate

Amendment

EIB financing operations supporting the general objectives set out in point (c) of paragraph 1 shall back investment projects in climate change mitigation and adaptation that contribute to the overall objectives of the United Nations Framework Convention on Climate

Change and of the Paris Agreement adopted under that Convention, 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.

Change and of the Paris Agreement adopted under that Convention, in particular by avoiding or reducing greenhouse gas emissions **and reducing the carbon footprint** 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.

Amendment 18

Proposal for a decision

Article 1 – paragraph 1 – point 3 a (new)

Decision No 466/2014/EU

Article 9 – paragraph 3

Present text

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

Amendment

(3 a) Article 9(3) is replaced by the following:

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

(<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014D0466&qid=1487606632536&from=EN>)

Amendment 19

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 migration shall be developed by the EIB;’;

Amendment

‘(b) Indicators for projects providing strategic response addressing root causes of migration **and building resilience of transit and host communities** shall be developed by the EIB **in close consultation with affected communities, civil society**

organisations and NGOs;’;

Amendment 20

Proposal for a decision

Article 1 – paragraph 1 – point 5 – point a a (new)

Decision No 466/2014/EU

Article 11 – paragraph 1 – point e

Present text

(e) an assessment of the quality of EIB financing operations, in particular, the extent to which the EIB has taken into account environmental and social sustainability in the due diligence and monitoring of the investment projects financed;"

Amendment

(a a) point (e) is replaced by the following:

"(e) an assessment of the quality of EIB financing operations, in particular, the extent to which the EIB has taken into account environmental and social sustainability in the due diligence and monitoring of the investment projects financed ***as well as measures to maximise local ownership by promoting the involvement of affected communities, civil society organisations and NGOs;***"

(<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014D0466&qid=1487606632536&from=EN>)

Amendment 21

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 building resilience of transit and host communities.*** ’;

Amendment 22

Proposal for a decision

Article 1 – paragraph 1 – point 5 a (new)

Decision No 466/2014/EU

Article 12 – paragraph 1 – point a

Present text

(a) all EIB financing operations carried out under this Decision, after the project approval stage, 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

(5 a) Article 12(1)(a) is replaced by the following:

‘(a) all EIB financing operations carried out under this Decision, after the project approval stage, ***including information on projects and sub-projects financed through financial intermediaries***, 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 23

Proposal for a decision

Article 1 – paragraph 1 – point 5 b (new)

Decision No 466/2014/EU

Article 13 – subparagraph 2

Present text

In its financing operations, the EIB shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, including ***a requirement to take reasonable measures to identify the beneficial owners where applicable.***

Amendment

(5 b) in Article 13 the second subparagraph is replaced by the following:

‘In its financing operations, the EIB shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, including ***through the introduction of country-by-country reporting, public registers of beneficial ownership and a blacklist of non-compliant tax jurisdictions. The EIB shall regularly report to the European Parliament on the implementation of its non-compliant***

jurisdiction policy."

(<http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014D0466&qid=1487606632536&from=EN>)

Amendment 24

Proposal for a decision

Article 1 – paragraph 1 – point 6

Decision No 466/2014/EU

Article 20 – paragraph -1 (new)

Text proposed by the Commission

Amendment

'By 30 June 2018, the Commission shall submit to the European Parliament and the Council a report evaluating the application of this Decision that shall provide input for a possible new decision on the ELM covered by the EU guarantee.'

Amendment 25

Proposal for a decision

Article 1 a (new)

Text proposed by the Commission

Amendment

Article 1 a

Transitional provision

The EIB may finance projects for the private sector lending mandate before the entry into force of this Decision and the conclusion of a guarantee agreement between the Commission and the EIB. Such projects may be included within the EU guarantee coverage, subject to confirmation by the Commission of the respect of the terms to be agreed in the guarantee agreement.

Amendment 26

Proposal for a decision

Annex I – point B – introductory part

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Text proposed by the Commission

Amendment

B. Neighbourhood and Partnership countries: EUR **18 374 000 000**, broken down into the following sub-ceilings:

B. Neighbourhood and Partnership countries: EUR **21 904 000 000**, broken down into the following sub-ceilings:

Amendment 27

**Proposal for a decision
Annex I – point B – point ii**

Text proposed by the Commission

Amendment

(ii) Eastern Europe, Southern Caucasus and Russia: EUR **6 008 000 000**;

(ii) Eastern Europe, Southern Caucasus and Russia: EUR **9 538 000 000**;

Amendment 28

**Proposal for a decision
Annex I – point C – introductory part**

Text proposed by the Commission

Amendment

C. Asia and Latin America: EUR **3 785 000 000**, broken down into the following sub-ceilings:

C. Asia and Latin America: EUR **4 255 000 000**, broken down into the following sub-ceilings:

Amendment 29

**Proposal for a decision
Annex I – point C – point ii**

Text proposed by the Commission

Amendment

(ii) Asia: EUR **1 040 000 000**;

(ii) Asia: EUR **1 510 000 000**;

Amendment 30

**Proposal for a decision
Annex III – point B – point 2 – subparagraph 4**

Text proposed by the Commission

Amendment

Russia

deleted

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	AFET 6.10.2016
Rapporteur Date appointed	Eduard Kukan 2.12.2016
Discussed in committee	9.2.2017
Date adopted	21.3.2017
Result of final vote	+: 39 –: 8 0: 4
Members present for the final vote	Lars Adaktusson, Francisco Assis, Bas Belder, Goffredo Maria Bettini, Victor Boştinaru, Klaus Buchner, James Carver, Fabio Massimo Castaldo, Javier Couso Permuy, Andi Cristea, Arnaud Danjean, Anna Elżbieta Fotyga, Eugen Freund, Michael Gahler, Iveta Grigule, Sandra Kalniete, Manolis Kefalogiannis, Tunne Kelam, Andrey Kovatchev, Ryszard Antoni Legutko, Arne Lietz, Sabine Lösing, Ulrike Lunacek, Andrejs Mamikins, Ramona Nicole Mănescu, Alex Mayer, David McAllister, Francisco José Millán Mon, Demetris Papadakis, Ioan Mircea Paşcu, Tonino Picula, Julia Pitera, Jozo Radoš, Jordi Solé, Jaromír Štětina, Dubravka Šuica, Charles Tannock, László Tőkés, Geoffrey Van Orden, Boris Zala
Substitutes present for the final vote	Neena Gill, Marek Jurek, José Ignacio Salafranca Sánchez-Neyra, Marietje Schaake, Helmut Scholz, Eleni Theoharous, Traian Ungureanu, Bodil Valero
Substitutes under Rule 200(2) present for the final vote	Heidi Hautala, Romana Tomc, Ivan Štefanec

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
ALDE	Iveta Grigule, Jozo Radoš, Marietje Schaake
PPE	Lars Adaktusson, Arnaud Danjean, Michael Gahler, Sandra Kalniete, Manolis Kefalogiannis, Tunne Kelam, Andrey Kovatchev, David McAllister, Francisco José Millán Mon, Ramona Nicole Mănescu, Julia Pitera, José Ignacio Salafranca Sánchez-Neyra, Romana Tomc, László Tőkés, Traian Ungureanu, Ivan Štefanec, Jaromír Štětina, Dubravka Šuica
S&D	Francisco Assis, Goffredo Maria Bettini, Victor Boştinaru, Andi Cristea, Eugen Freund, Neena Gill, Arne Lietz, Andrejs Mamikins, Alex Mayer, Demetris Papadakis, Ioan Mircea Paşcu, Tonino Picula, Boris Zala
Verts/ALE	Klaus Buchner, Heidi Hautala, Ulrike Lunacek, Jordi Solé, Bodil Valero

8	-
ECR	Bas Belder, Anna Elżbieta Fotyga, Marek Jurek, Ryszard Antoni Legutko, Eleni Theocharous, Geoffrey Van Orden
EFDD	James Carver, Fabio Massimo Castaldo

4	0
ECR	Charles Tannock
GUE/NGL	Javier Couso Permuy, Sabine Lösing, Helmut Scholz

Key to symbols:

+ : in favour

- : against

0 : abstention