

ROADMAP

Title of the initiative: **Commission Proposal for a Decision of the European Parliament and of the Council granting an EU guarantee to the European Investment Bank against losses under loans and guarantees for projects outside the EU**

Type of initiative (CWP/Catalogue/Comitology): CWP

Lead DG: DG ECFIN

Expected date of adoption of the initiative (month/year): April 2009

Date of modification:

Version No: V0

Initial IA screening & planning of further work

A. Context and problem definition

(i) What is the political context of the initiative? (ii) How does this initiative relate to past and possible future initiatives, and to other EU policies?

The European Union offers a budgetary guarantee to the European Investment Bank (EIB) covering risks of a sovereign and political nature in connection with its loan and loan guarantee operations carried out outside the EU in support of EU external policy objectives (the so-called EIB external mandate). The EU guarantee for the EIB's external operations has previously been granted by successive Council decisions. Most recently, the EIB external mandate was established by Decision No 633/2009/EC of the European Parliament and of the Council of 13 July 2009. According to the Decision, the mandate is subject to a mid-term review, on the basis of which the Commission is required to present a proposal for the second half of the 2007-2013 period. A subsequent Commission proposal should be prepared for the next financial framework (2014-2020).

What are the main problems identified?

The proposal for the second half of the current mandate must be adopted by the Commission before 30 April 2010 and by the Council and Parliament by October 2011. In the absence of a decision by Council and Parliament by the latter date, the mandate as a whole lapses in November 2010 and EIB lending under EU guarantee would be suspended until a new decision is in place. The Decision requires the Commission proposal to draw on an external evaluation supervised by a Steering Group of Wise Persons, the terms of which are set out in the Annex to the Decision.

Who is affected?

Countries and/or territories covered by the external mandate in Pre-Accession, Neighbourhood, Asian and Latin American countries as well as the Republic of South Africa.

The legislative procedures involve the Commission, the Council, the European Parliament and the EIB.

(i) Is EU action justified on grounds of subsidiarity?

The proposal falls under the exclusive competence of the EU. The subsidiarity principle therefore does not apply.

B. Objectives of EU initiative

What are the main policy objectives?

To serve EU external policies by financing relevant projects in partner countries through combining EU budgetary funds (via the provisioning of the Guarantee Fund for external actions which backs the EU guarantee) with EIB own resources.

Do the objectives imply developing EU policy in new areas or in areas of strategic importance?

No. The EU guarantee for EIB's external operations has been granted by successive Council decisions in the past.

C. Options

(i) What are the policy options? (ii) What legislative or 'soft law' instruments could be considered? (iii) Would any legislative initiatives go beyond routine up-date of existing legislation?

The procedure is foreseen in the Decision No 633/2009/EC of the European Parliament and of the Council of 13 July 2009. Article 9 of the Decision requires the Commission to present a mid-term report on its application accompanied by a proposal for its amendment, drawing, inter alia, on an external evaluation. There are no other options to consider.

Does the action proposed in the options cut across several policy areas or impact on action taken/planned by other Commission departments?

No direct impact. The relevant Commission departments have been included in the consultations carried out under the mid-term evaluation, have been formally consulted on the draft Commission report and legislative proposal and will be formally consulted during the Inter-Service Consultation.

Explain how the options respect the proportionality principle.

The proposal complies with the proportionality principle, as the EU guarantee has proved to be an efficient and inexpensive means of covering the political and sovereign risks relating to EIB external operations carried out in support of the EU external policies. The extension of the EU guarantee will allow the existing efficient and economically sound practice to continue.

D. Initial assessment of impacts

What are the significant impacts likely to result from each policy option (cf. list of impacts in the Impact Assessment Guidelines pages 32-37), even if these impacts would materialise only after subsequent Commission initiatives?

Not applicable, as Decision No 633/2009/EC of the European Parliament and of the Council of 13 July 2009 requires the Commission to put forward a proposal for amendment of the Decision and does not give a choice between different policy options.

Could the options have impacts on the EU-Budget (above 5 Mio €) and/or should the IA also serve as the ex-ante evaluation, required by the Financial Regulation?

The impacts on the EU budget of the EU guarantee are set out in the detailed financial

statement annexed to the Commission proposal.

Could the options have significant impacts on (i) simplification, (ii) administrative burden or on (iii) relations with third countries?

Not applicable.

E. Planning of further impact assessment work

When will the impact assessment work start?

The mid-term review of the EIB external mandate builds on an external evaluation supervised and managed by a Steering Committee of Wise Persons (SCWP), supported by an external consultant (COWI) and by specific evaluations carried out by the evaluation department of the EIB.

During the course of the evaluation process, which lasted from October 2008 until February 2010, the SWCP organised hearing sessions with the Commission and EIB senior staff as well as with representatives of civil society, the European Parliament, International Financial Institutions and European bilateral financial institutions as well as European think tanks. SWCP members also visited selected beneficiary countries and held discussions with government and private sector representatives, and with COWI and the EIB evaluation department. COWI's evaluation included service level interviews with Commission and EIB staff and specific country and project case studies.

The findings of the evaluation reports are summarised and analysed in the Commission report over the mid-term review which accompanies the proposal. The proposals for modifications of the current mandate put forward in the proposed decision build on this report.

The SCWP also pointed to a number of different options for a future reform of the EU external action including the external activity of the EIB. These options could be further explored in a process to be defined at a later stage.

Given the comprehensive evaluation which has been carried out in the context of the mid-term review as required by the European Parliament and Council Decision, including extensive consultations with other DGs, stakeholders and experts, ECFIN proposes – in accordance with the proportionality principle and in line with past practice – not to develop the formal impact assessment beyond the contents of this roadmap.

(i) What information and data are already available? (ii) Will this impact assessment build on already existing impact assessment work or evaluations carried out? (iii) What further information needs to be gathered? (iv) How will this be done (e.g. internally or by an external contractor) and by when?

(v) What type and level of analysis will be carried out (cf. principle of proportionate analysis)?

See reply above.

Which stakeholders & experts have been/will be consulted, how and at what stage?

See reply above on the extensive consultations carried out during the course of the evaluation.

