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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL authorising the Commission to vote in favour of the capital increase of the European Investment Fund - Outcome of the European Parliament's first reading (Brussels, 14 to 18 December 2020)

I. INTRODUCTION

A number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this file at first reading.

In this context, the rapporteur, Johan VAN OVERTVELDT (ECR, BE), proposed to adopt without amendments the abovementioned proposal for a Decision on behalf of the Committee on Budgets. No amendments were tabled by any political group.

II. VOTE

When it voted on 15 December 2020, the plenary adopted without amendments the abovementioned proposal for a Decision. The Commission's proposal constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

Authorising the Commission to vote in favour of the capital increase of the European Investment Fund *I**

European Parliament legislative resolution of 15 December 2020 on the proposal for a decision of the European Parliament and of the Council authorising the Commission to vote in favour of the capital increase of the European Investment Fund (COM(2020)0774 – C9-0378/2020 – 2020/0343(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2020)0774),
 - 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 (C9-0378/2020),
 - 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 Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A9-0253/2020),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 15 December 2020 with a view to the adoption of Decision (EU) 2020/... of the European Parliament and of the Council authorising the Commission to vote in favour of an increase in the authorised capital 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,

After consulting the European Economic and Social Committee,

Acting in accordance with the ordinary legislative procedure¹,

Whereas:

¹ Position of the European Parliament of 15 December 2020.

- (1) Article 5(2) of the Statutes of the European Investment Fund (the ‘Fund’) provides that the authorised capital of the Fund may be increased by decision of the General Meeting of the Fund (the ‘General Meeting’) acting with a majority of -85 % of the votes cast.
- (2) Considering the expected impact of the COVID-19 crisis and with a view to contributing to the response of the Union and the Fund to the crisis through the implementation of the proposed Regulation of the European Parliament and of the Council establishing the InvestEU Programme as part of the Multiannual Financial Framework for the years 2021 to 2027 and through further development of the Fund’s role in the management of national and regional programmes, it is necessary to immediately increase the authorised capital of the Fund by EUR 2 870 000 000.

- (3) The Board of Directors of the Fund (the ‘Board of Directors’) has decided to submit a request to the General Meeting for approval to increase the Fund’s authorised capital by EUR 2 870 000 000 through the issuance of 2 870 new shares and for approval of the arrangements, including for payment, for such capital increase. If the capital increase is approved, each new share will have a nominal value of EUR 1 000 000 and each subscribed share will be paid in as to 20 % of its nominal value. It would be possible for the General Meeting to require payment of the remaining 80 % under the conditions laid down in Article 7(3) of the Statutes of the Fund. All shares, whether existing or newly issued, will be of equal value and carry equal rights in all respects.
- (4) The Board of Directors has proposed that the newly authorised shares be available for subscription during a single subscription period starting immediately upon approval of the capital increase by the General Meeting and ending on 30 September 2021. The Union will be able to participate in the subscription under the conditions laid down in the decision of the General Meeting once the legal act approving the participation of the Union in the capital increase has entered into force.

- (5) In order to allow the Union representative in the General Meeting to vote on the capital increase as soon as possible, it is considered to be appropriate to provide for an exception to the eight-week and ten-day periods referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community. For the same reason, this Decision should enter into force on the day following that of its publication,

HAVE ADOPTED THIS DECISION:

Article 1

The Commission shall be authorised to vote, on behalf of the Union, at the General Meeting of the European Investment Fund in favour of the proposed increase of EUR 2 870 000 000 in the authorised capital of the Fund.

Article 2

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

Done at ...,

For the European Parliament

For the Council

The President

The President