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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

ON 2015 EIB EXTERNAL ACTIVITY WITH EU BUDGETARY GUARANTEE

{SWD(2016) 296}

1. INTRODUCTION

Decision 466/2014/EU¹ of the European Parliament and of the Council of 16 April 2014 grant an EU guarantee to the European Investment Bank (EIB) against losses under EIB financing operations for projects outside the Union over the period 2014-2020 (the “Decision” or the “EU guarantee”). That Decision requires the Commission to report annually on EIB external activities with the EU budgetary guarantee, building on yearly reports provided by EIB. Following the adoption of the Decision 466/2014/EU over 2014-2020, the present report covering the year 2015 has been prepared on the requirements of that legal basis. This report also provides a summary of the own risk operations carried out by the EIB in 2015 in the regions covered by the Decision. The EIB operations in Africa, Caribbean and Pacific (ACP) as well as in Overseas Countries and Territories (OCT) are covered in a separate annual report.

The Decision (the “Mandate”) sets a maximum ceiling for the EU guarantee of EUR 30 billion broken down into a fixed ceiling amounting to EUR 27 billion and an optional additional amount of EUR 3 billion. The activation of the optional amount as well as its regional distribution shall be decided by the European Parliament and the Council following the mid-term review of the Mandate. In the new Decision (466/2014/EU), the three high level objectives for extending the EU guarantee remain unchanged: promoting growth in the local private sector, developing social and economic infrastructure, climate action and, as an underlying objective, fostering regional integration. The Mandate entered into force with the signing of the Guarantee agreement on 25 July 2014.

More detailed information and statistical tables on the above activities, including at project, sector, country and regional level, are provided in the attached Staff Working Document (the “SWD”). Following the fourth year of implementation of the EIB Results Measurement (ReM) framework, this report provides information on expected results based on EIB financing operations signed in 2015.

2. KEY RESULTS

In 2015, the EIB signed a total of EUR 6.7 billion in the regions covered by the External Lending Mandate (ELM) which is almost equal to the signatures of the previous year (EUR 6.8 billion). Of this, almost three quarters (72%, EUR 4.8 billion) was carried out under the ELM with an EU guarantee, an increase of 16% compared to 2014. The share of the loans benefiting from an EU comprehensive guarantee covering sovereign or sub-sovereign operations was EUR 4.4 billion (92%), while EUR 0.4 billion (8%) benefitted from an EU political risk guarantee for private sector operations. The financing under EIB own-risk facilities decreased by EUR 0.7 billion to EUR 1.9 billion. Overall volumes in 2015 were mainly driven by a strong performance in the Eastern Neighbours, Russia and Asia and Latin America regions.

The EIB continued to demonstrate its commitment to supporting the Union's climate action agenda. In September 2015, the EIB Board adapted a Climate Action Strategy to guide all EIB actions both within and outside the Union. EIB operations signed in the regions covered by the Decision remain well above the threshold of 25% set out in the Decision. By the end of 2015, the cumulative climate action ratio under the mandate period of 2014-2020 had reached

¹ OJ L 135, 08.05.2014, p.1

35%. EUR 2.1 billion was lent in 2015, in ELM regions, in Climate Action. Asia is a major contributor to that target, as climate action has been defined as the key priority for that region.

Moreover, in 2015, 32% of the total amount of operations signed in ELM Regions, or EUR 2.2 billion will support the cross-cutting regional integration objective, a transversal objective of the ELM, through energy interconnections, transport links, regional equity funds and support to convergence through local private sector development.

In 2015, when it was implemented for the fourth year in a row, the EIB through the ReM framework noted that 100% of new operations signed in the Mandate regions are expected to make either an excellent or a good contribution to the Mandate objectives. Around 88% of new projects are expected to achieve either excellent or good results in terms of expected impact, quality and soundness of projects. More than 80% of new projects are expected to be associated with either high or significant EIB additionality. The EIB's own report on results of EIB operations outside the Union (which also includes operations in ACP and OCT countries) in 2015 will soon be published on its website.

The Decision emphasises a strong alignment of EIB external activity and the Union's external policies, programmes and instruments and it is worth noting that over the year 2015, the EIB continued to cooperate closely with the Commission and the EEAS to strengthen the consistency and coherence of EIB actions with external Union policies. In that context, the Commission, together with the EIB and in consultation with the EEAS, updated the Regional Technical Operational Guidelines ("RTOGs") which were transmitted to the Parliament and the Council in May 2015. The RTOGs are applicable over the period 2014-2020 for EIB operations under the EU guarantee. The RTOGs provide guidance for aligning the scope of the EIB's interventions in different regions with the Union's policies, programmes and instruments.

3. FINANCING OPERATIONS

3.1. OVERVIEW OF EIB FINANCING OPERATIONS SIGNED IN 2015 AS PER CONTRIBUTION TO Union POLICY OBJECTIVES

The Decision foresees three horizontal high-level objectives for all regions covered by the EU budgetary guarantee:

- (i) Local private sector development, in particular support to small and medium-sized enterprises ('SMEs'),
- (ii) Development of social and economic infrastructure,
- (iii) Climate change mitigation and adaptation.

Additional underlying objectives include the contribution to the general principles guiding external action, as referred to in Article 21 TEU and regional integration among partner countries, including economic integration between Pre-Accession countries, Neighbourhood countries and the Union.

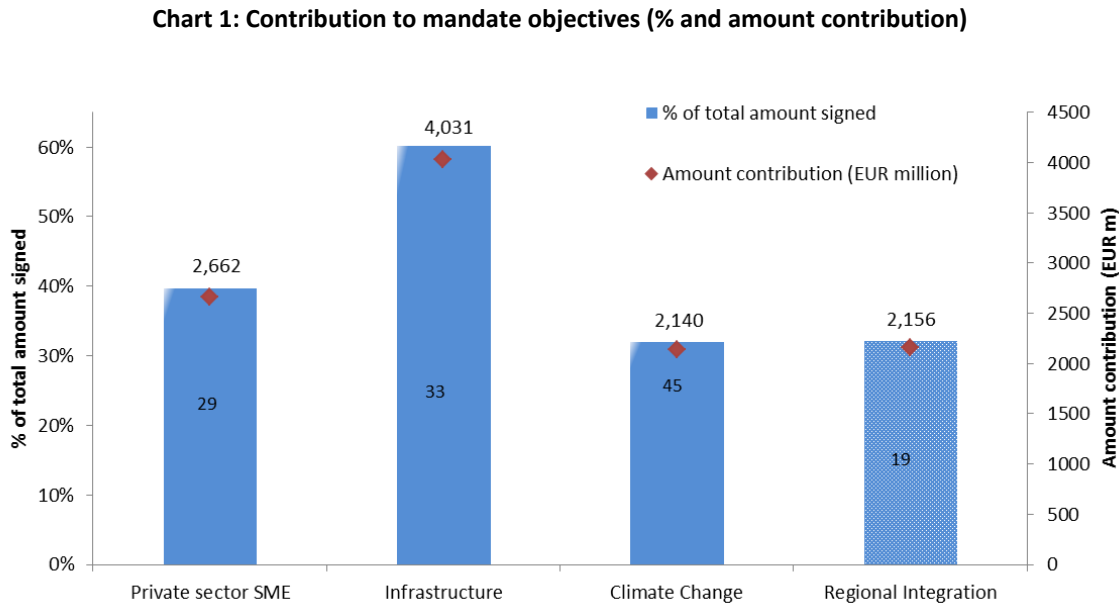
Of the total signed amount in the ELM regions in 2015, 40% (EUR 2.7 billion) will support local private sector development, principally through improving access to finance for SMEs, microenterprises and mid-cap companies. 60% (EUR 4.0 billion) will contribute to social and

economic infrastructure development. All EIB operations outside the Union support one or both of those objectives. As such the climate change mitigation and adaptation objective can be considered as cross-cutting objective.

32% of lending (EUR 2.1 billion) will support the cross-cutting objective of climate change mitigation and adaptation.

Similarly, 32%, or EUR 2.2 billion, will support the cross-cutting regional integration objective, both through infrastructure development and through support of local private sector access to finance.

The contribution to the Mandate's objectives is reflected in Chart 1 taking into account both the 2015 operations under the Mandate and under the own-risk facilities.



The rest of the section reports expected and achieved results on EU policies objectives, as recorded by the ReM framework. The scope of that section with regard to expected results is not all contracts signed in 2015, but all projects for which the first financing contract was signed in 2015 (they are referred to as “new projects”). That approach avoids double counting of results for projects with multiple financing contracts signed in successive years. It means that lending volumes referred to in that section are the total approved volumes for new projects only. Furthermore, because of the methodology used lending volumes and project counts may not always be strictly comparable.

Local private sector development, in particular support to SMEs

The EIB's support under local private sector development is about creating the conditions to allow people in developing and emerging markets to develop and expand businesses and thereby create jobs, fulfil needs for goods and services, overcome poverty and food insecurity and raise living standards. Ultimately, sustainable social and economic development cannot take place without that private sector development. That support takes different forms:

extending credit lines to local financial intermediaries (mainly banks) for on-lending to SMEs; participation in private equity funds and risk capital to high-growth potential companies; equity finance for microfinance providers; and direct loans to larger companies.

Twenty-six new projects signed in 2015 will support local private sector development. The total approved EIB financing for those projects is EUR 2.9 billion. 20 are credit lines supporting SMEs; 1 supports microfinance activities through a microfinance investment vehicle; and 5 support R&D activities and investment projects by large companies.

Development of social and economic infrastructure

Developing social and economic infrastructure – everything from roads and energy systems to healthcare facilities and broadband internet services – is one of the pillars of the development process. It is also a pillar where public financing is often vital, infrastructure goods often being public goods that have large positive spill-overs for the economy, the environment and for human well-being. The EIB supports infrastructure projects in a wide range of sectors.

There are 29 new projects that contribute to the development of social and economic infrastructure in the ELM regions in 2015. The total approved EIB financing for those projects is EUR 3.9 billion.

The EIB signed contracts for 11 new projects in the energy sector in 2015, of which 5 are focused on expanding and upgrading power transmission and distribution networks. Those projects will connect an additional 273 300 households to the grid. Electricity transmission projects also meet domestic demand by enhancing the capacity of existing networks to integrate electricity generation from renewable energy sources such as wind and hydropower. 5 projects in 2015 focus on energy generation, three of them on the development of renewable sources of energy. Together they will generate sufficient electricity to supply 2.45 million people in the countries concerned. In one case, the EIB is taking over the risk from hydropower, transmission system and energy efficiency projects initiated by the World Bank in the Ukraine. That step will free-up World Bank lending capacity to help Ukraine finance energy imports in the shorter term to avoid the occurrence of a severe energy crisis.

The EIB signed 6 new projects in the transport sector. They include developing inter-urban rail links, new urban transport systems and improving road transport by upgrading road surface.

In the water and sanitation sector 4 projects have been signed in 2015. Together they will improve the access to or the supply of safe drinking water to some 1.6 million households. That improved access can be expected to have very significant knock-on impacts in countries where poor water supply is a major cause of disease, as well as posing significant financial and time burdens on low income households.

A single project in the solid waste management sector will make an important contribution to managing the environmental impacts of waste disposal.

There are two projects signed under the framework of agriculture and forestry. The one under forestry will support reforestation over 80 000 ha of degraded land and forest rehabilitation on 20 000ha and erosion control measures on a further 155 000ha.

Detailed information on financed projects are provided in the SWD.

Climate change mitigation and adaptation

As both the cause and effects of climate change are global, extending and expanding climate finance beyond the borders of the Union is a vital part of the Union's external and development policy. The EIB plays a central role in those efforts. Its support to climate action remained high in 2015, with total signatures of EUR 2 billion, representing more than 30% of all signatures in the Mandate regions. That level is similar to the previous year's figure and is well above the EIB's global target of 25% of overall lending². Therefore, the Mandate contributes significantly to climate change objectives, with a strong focus on climate change mitigation operations with 92% of the EIB's operations and 8% on climate change adaptation.

The vast majority of climate action lending continues to come from projects in the transport and energy sectors which together account for 68% of new climate action lending outside the Union in 2015. The agriculture and forestry sector also continues to play an important role.

New climate action projects in 2015 include six transport sector projects. It includes, inter alia, constructing metro lines and establishing urban mass transit systems.

Eight new energy sector projects in 2015 will contribute to mitigation of climate change, as will a number of multi-sector projects with a component focused on renewable energy generation.

Investment in agriculture and forestry can play a critical role, not just in mitigating climate change through carbon sequestration, but also in enhancing the resilience of food production systems to changing climatic patterns. The afforestation project contributes not only to climate change mitigation through carbon sequestration but also to adaptation to climate change impacts by focusing on erosion control. That latter dimension of climate lending is often neglected due to the lack of appetite in borrowing for adaptation as well as the limited attractiveness that that sector has for private sector investors. However, recognising that the regions covered by the Decision are particularly vulnerable to current climate variability and to future climate change, the EIB is increasing the integration of climate resilience into projects. It includes supporting technical assistance and appropriate planning measures as well as supporting specific adaptation investments such as flood control and defence measures.

The EIB's effort in mainstreaming climate action includes the Carbon Footprint Exercise which estimates and reports the greenhouse gas emissions from its projects. In 2015, 23 of the projects in the ELM regions were included in the 2015 Carbon Footprint Exercise. They represent total EIB signatures or allocation approvals of EUR 2.7 billion. The related total absolute GHG emissions are estimated as 1.4Mt CO₂-eq/year (the low absolute figures being due to a large number of forestry projects which will sequester CO₂) with saved/avoided emissions estimated at 1.3Mt CO₂-eq/year overall from the same financing.

Both the ELM Climate Strategy and the EIB's recently approved Climate Strategy emphasize the promotion of risk management approaches to increase the resilience of assets, communities and ecosystems related to EIB projects. The EIB is developing a Climate Risk and Vulnerability Assessment tool kit across sectors and regions to identify and address

² Article 3(7) of Decision 466/2014/EU requires that over 2014-2020, climate change mitigation and adaptation projects shall represent at least 25% of total EIB financing operations by volume.

project vulnerabilities. It will allow the EIB to identify priorities and support adaptation actions in its financing. The EIB has committed to the European Parliament that the Bank is systematically screening of all new ELM (and ACP) operations against their climate risks at pre-appraisal stage in order to address project vulnerabilities. The system is still under final development but by 2017 a fully integrated system is planned to be in place. In 2015, all projects under ELM were subject to that screening. The bulk of the projects received a medium- to high risk classification.

Regional integration

In 2015, the EIB signed a total of 16 financing contracts worth EUR 2.3 billion (EUR 1.6 billion in 2014) contributing to regional integration. Nine credit lines (EUR 1 255 million) will support regional integration mainly in the Pre-Accession region by fostering international collaboration and by supporting the convergence of economies towards the Union. In the transport sector, the three projects signed aim at facilitating the mobility across borders (EUR 524 million). The other 4 projects signed in 2015 under regional integration are from the agriculture, water, energy and solid waste sectors.

3.2. OVERVIEW OF EIB FINANCING VOLUME IN THE REGIONS COVERED BY THE DECISION³

Table 1 provides an overview of the volume of EIB financing in 2015 in the regions covered by the Decisions.

Table 1: EIB Financing Operations signed in 2015

Countries of operation (EUR million)	Operations under EU guarantee			EIB own risk operations	Total
	Comprehensive guarantee	Political risk cover	Total		
Pre-Accession Countries	957	0	957	1565	2522
Mediterranean countries	1211	65	1276	141	1417
Eastern Neighb., Russia	1426	55	1481	0	1481
Asia and Latin America	821	150	971	150	1121
South Africa	50	100	150	0	150
Total	4465	370	4835	1856	6691

Notes: In addition to the above volumes on EIB own resources, one investment into microfinance fund amounting to EUR 2 million was signed on third party resources in the Mediterranean.

The share of activity under the EU guarantee in total volume increased in 2015 by 16% to reach EUR 4.8 billion (EUR 4.2 billion in 2014) or 72% of total 2015 financing in the regions covered by the Decision. The share of activity at EIB own risk decreased by 28% (EUR 1.9 billion). Around 92% of operations financed at EIB own risk during 2015 have been signed in

³ Decision 466/2014/EU

Pre-Accession and in ALA countries, with the remaining 8% in the Mediterranean region. In Eastern Neighbourhood and South Africa, all financing was signed under the EU guarantee.

In 2015, 92% of the loans signed with the EU guarantee were covered by a Comprehensive Guarantee (EUR 4.5 billion), which is used for sovereign and sub-sovereign operations, while 8% benefited from the political risk cover (EUR 0.4 billion) for private sector operations.

Table 2: Cumulative net signatures compared with the current EU Mandate ceilings over 2014-2020

EUR million	Ceiling	Net signed (EUR million)	Net signed as % of mandate ceiling
Pre-Accession	8.739	1157	13%
Mediterranean	9.606	1656	17%
Eastern Neighbours, Russia	4.831	2571	53%
Asia and Latin America	3.407	1386	41%
South Africa	416	150	36%
Total in Mandate Regions	27.000	6920	26%

As presented in Table 2, after 1.5 years of financing activities under the 2014-2020 ELM (21% of implementation time elapsed) cumulative signatures under the ELM reached EUR 6.9 billion, corresponding to a utilisation rate of 26% (up from 8% at the end of 2014). The utilisation rate in the Eastern Neighbours, Russia region exceeds 50%, followed by Asia and Latin America and South Africa with 41% and 36% respectively.

Defaults on interest payments and loan repayments from the Syrian Government continued in 2015. At the end of 2015, cumulative payments from the Guarantee Fund related to calls by the EIB amounted to a total of EUR 202.89 million, of which EUR 60.16 million paid in 2015.

Chart 2: Annual evolution of EIB lending volumes on EIB own resources

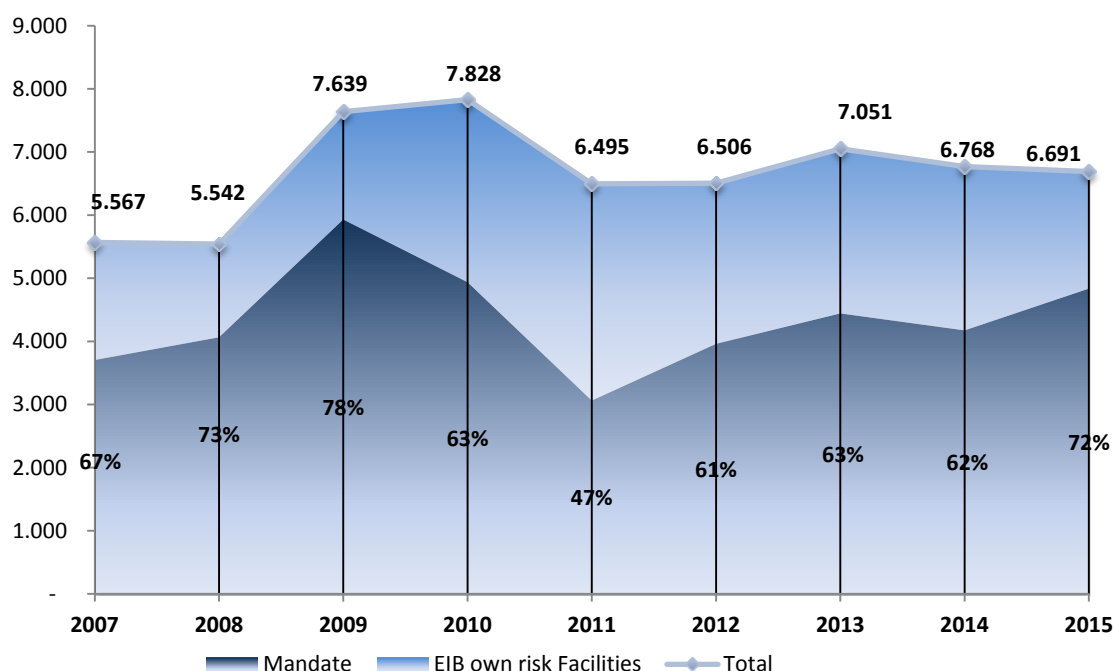


Chart 2 illustrates the evolution of lending under the Mandate and the own-risk facilities between 2007 and 2015. Over the whole period, an average of 65% of EIB financing in those regions benefits from the Mandate with EU Guarantee, with annual fluctuations between 47% and 78%.

In terms of number of projects, financing for 38 projects was signed in 2015 under the EU Guarantee (42 in 2013) and 16 projects under EIB own risk (23 projects signed in 2014).

Table 3: Number of operations signed by region (all resources), in 2015

Regions	Third Party Resources	Under EU guarantee	EIB own-risk	Total
Pre-Accession	0	7	14	21
Mediterranean ⁴	1	10	1	12
Eastern Neighbours, Russia	0	9	0	9
Asia and Latin America	0	11	1	12
South Africa	0	1	0	1
Total	1	38	16	55

As shown in Table 4, the Pre-Accession countries remained the main beneficiary region of EIB financing outside the Union in 2015 with EUR 2.5 billion signed, representing 38% of total financing in the regions concerned. A major focus for the region has been to ensure adequate financial support for innovation and for growth, particularly of SMEs and private

⁴ One operation supported by both EIB own risk and ELM supported financing – recorded as EIB own-risk.

sector lending. Under the Mandate, a key priority has also been to finance projects integrating more fully with European infrastructure networks.

In the Mediterranean countries, the amount signed reached EUR 1.4 billion. The majority of that amount was for projects focused on providing support to build social and economic infrastructure, especially energy projects (53%) and transportation (25%). A total of 12% was allocated under credit lines to banks for on-lending to SMEs.

In the Eastern Neighbourhood, signatures totalled EUR 1.5 billion, representing the highest increase from 2014 (+26%) among all Mandate regions, even in the context of Union sanctions on Russia. Notably in relation to the Ukraine Action Plan, EUR 1.3 billion was signed, including a first-time signature of a guarantee transaction (almost EUR 0.5 billion, covering International Bank for Reconstruction and Development investment projects in Ukraine) benefiting from the EU comprehensive guarantee.

In Asia, Central Asia and Latin America, total signatures decreased by 18% from 2014, totalling EUR 1.1 billion. Latin America accounted for 55% of the amount signed, with special focus on infrastructure and private sector financing in Brazil and Nicaragua.

In South Africa, three loans, totalling EUR 150 million, were signed to finance private sector credit lines to banks for on-lending to SMEs.

Table 4: Sectorial distribution of EIB financing operations signed in 2014 in the regions covered by the Decision (all resources)

EUR m	Pre-Accession	Medi- terranean countries	Eastern Neighbours, Russia	Asia and Latin America	South Africa	Total
Credit lines	1,430	175	505	250	150	2,510
Energy	40	758	477	545	-	1,819
Transport	562	350	151	233	-	1,296
Water, sewerage	23	125	260	93	-	500
Industry	200	2	-	-	-	202
Services	135	10	-	-	-	145
Agriculture, fisheries, forestry	120	-	-	-	-	120
Solid waste	13	-	48	-	-	61
Urban development	-	-	40	-	-	40
Grand Total	2,522	1,419	1,481	1,121	150	6,693

3.3. IMPACT AND VALUE ADDED OF EIB OPERATIONS

The ReM framework provides an assessment of the EIB financing operations throughout their lifecycle. It helps to select sound projects which are in line with Union priorities based on concrete results, and where the EIB involvement will add value. At appraisal stage, results indicators are identified, with baselines and targets that capture expected economic, social,

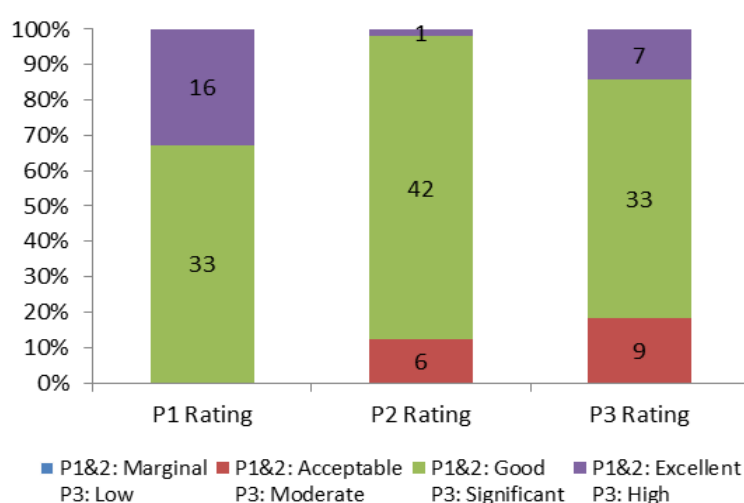
and environmental outcomes of the operation. Achievement against those specified performance benchmarks is monitored throughout the project's life and reported at two major milestones: at project completion and 3 years after project completion ("post completion") for direct operations; at the end of the investment period and at the end of life of private equity funds; and at the end of the allocation period for intermediated lending.

Projects are rated according to three "Pillars":

- (i) Pillar 1 rates the expected contribution to the Union and the countries' priorities and eligibility under EIB mandate objectives.
- (ii) Pillar 2 rates the quality and soundness of the operation, based on the expected results.
- (iii) Pillar 3 rates expected EIB financial and non-financial additionality.

The results of the ReM Project Completion Reviews along with a case study of the first infrastructure project reaching completion are summarised in the SWD. The expected results are presented in this section and discussed for EIB financing operations signed in 2015 in the regions covered by the Mandate. In order to avoid double counting of projects and expected results, this report will refer only to the expected results and additionality of "new projects", i.e. those for which the first financing contract was signed in 2015 – 49 new projects.

Chart 3: ReM ratings by pillar for 2015 new signed operations



In terms of strength of contribution to objectives (ReM Pillar 1), 33% of the 2015 new signatures were rated as "excellent", meaning a high contribution to both the countries' own development objectives and the Union's priorities for the country and/or region concerned. 67% of the operations rated "good" under Pillar 1. Those projects that are expected to make a "good" contribution are in line with mandate objectives and could make a high contribution to either the country's own development objectives or those of the Union and a moderate contribution to the other.

For directly financed projects (ReM Pillar 2), rating is based on project soundness, financial and economic sustainability and environmental and social sustainability. For intermediated

operations, the rating is based on the expected results, weighted by risk considerations as measured by the soundness of the intermediary and the quality of the operating environment.

Pillar 2 shows that only one new operation signed is expected to make an excellent rating with an economic rate of return (ERR) greater than 15%. More than 85% of new operations are expected to be "good". They are direct operations with an average ERR of 10% to 15% in the case of infrastructure projects, or intermediated operations which contribute to increasing access to finance and financial sector development yet in a high risk environment with less likelihood of results. Six projects received an "acceptable" rating, primarily because of high risk environments that affect the probability of achieving planned results.

Additionality" (ReM Pillar 3) is measured by the difference between the EIB contribution to an investment project and standard market finance, in three dimensions: the adequacy of financial resources for the needs of projects; the EIB's technical contribution; and the impact in terms of raising standards and facilitating contributions from other sources.

In a large majority of the 49 new projects in 2015, the "additionality" of EIB support is rated "significant" (33), or "high" (7). 9 received a "moderate" rating. The degree of additionality tends to be higher for complex projects in less developed regions, where the needs of project promoters are greatest, and less pronounced where the EIB deals with very experienced promoters and intermediaries. For that reason, the most projects with a "high" additionality rating were in the Eastern neighbours and Mediterranean regions, while the additionality of 5 projects in the Pre-accession region was rated only "moderate".

The ability of the EIB to provide long-term funding that is often otherwise unavailable is one of the key elements of the Bank's contribution. Nearly all new operations in 2015 provide a tenor to project promoters or financial intermediaries which exceeds the typical maturity available in local markets. In most cases, the terms of EIB finance provide a close match to the economic life of the assets to be financed. The tenor provided for new projects in 2015 – around 15 years on average – is estimated to be, on average, around two and a half times greater than available in the local market.

For selected operations, the EIB can use different mechanisms in order to absorb foreign exchange risk. This can make funding more attractive for borrowers, including the final beneficiaries of intermediated operations whose activities are focussed on domestic markets. Within the ELM regions, three credit lines benefited from local currency funding.

The EIB works to mobilise and manage grants from third parties alongside its loans. They are a significant source of additionality, particularly in the Mediterranean countries, as well as in the Eastern Neighbourhood. Twelve new projects benefitted from grants in 2015.

The EIB's role proved to be prominent also in terms of raising standards, mobilising resources and technical contribution.

4. EIB COOPERATION WITH OTHERS

4.1 COOPERATION WITH THE COMMISSION

The Mandate requests that the Commission, the EEAS and the EIB cooperate and strengthen the alignment of EIB external actions and the Union's external policy objectives, with a view to maximising synergies between EIB financing and Union budgetary resources, mainly

through a regular and systematic dialogue and early consultation on policies, strategies and project pipelines. In 2015, the Memorandum of Understanding (revised in 2013) between the Commission, EEAS and the EIB in respect of cooperation and coordination in the regions covered by the Mandate continues to be applied – e.g. through exchange of information on project pipeline and contact information.

Blending mechanisms result in strong co-financing relations with other International Financial Institutions ('IFIs') and alignment with Union policies and priorities in each respective country context in order to maximise the intended impact financed by Union grants. Moreover, the governance structure of those facilities enables and requires close coordination and cooperation with the Commission, the EEAS and other IFIs before presenting a project for blending of grant resources with EIB lending. The EIB continued to actively participate in the regional blending mechanisms in 2015. EUR 197 million of Union budget-funded contributions (grants, technical assistance, risk capital) were approved or signed, complementing EIB financing in ELM regions (EUR 108 million of Union budget resources complementing EIB loans in the Neighbourhood Investment Facility, EUR 62 million in the Western Balkan Investment Facility, EUR 10 million in the Latin America Investment Facility and EUR 2 million in the Investment Facility for Central Asia). The EIB closely cooperated with the Commission in the technical group of experts of the EU Platform for Blending in External Cooperation (EUBEC). The detailed list of EIB-managed Union budget-funded operations (TA, Grants, Equity) signed or approved in 2015 can be found in the SWD.

In January 2016, the Commission adopted a new Anti-Tax Avoidance Package, containing a series of initiatives for a stronger and more coordinated EU stance against corporate tax abuse – within the Single Market and beyond. The package further expands on the criteria that constitute good tax governance, including measures on the fight against aggressive tax planning. That Package reflects discussions in the Council, the recommendations from the European Parliament as well as the outcomes of the OECD's Base Erosion and Profit Shifting project. In that context, and in line with the EIB Group's extensive expertise and leading position in promoting best practices on tax transparency and effective taxation, the Commission is actively engaging with the EIB on how the Bank's Non-Compliant Jurisdiction policy could evolve to reflect those new anti-tax avoidance measures.

The detailed aspects of the inter-institutional cooperation between the EIB, the Commission and the EEAS to support the priorities both of the Union and the partner countries in those regions can be found in the SWD.

4.2. COOPERATION WITH EUROPEAN OMBUDSMAN

The Memorandum of Understanding signed between the EIB and the European Ombudsman in 2008 sets the basis for the two stages of the EIB Complaints Mechanism - the internal (EIB-CM) and the external (the Ombudsman) - approved by the EIB Board of Directors in 2010 after extensive public consultation. It achieves a common understanding of purpose and consistency of application across its internal and external parts, with a specific focus on:

- The existence of an effective internal Complaints Mechanism (the EIB-CM) that deals with complaints lodged by external parties to the EIB across all the business units of the EIB;
- Concerning complaints related to operations outside the Union, including the External Mandates, the Ombudsman commits to use its own initiative power systematically in order to handle complaints when the complainant is not a citizen or resident of the Union;

- The scope of the Ombudsman's review, with the recognition of the EIB-CM as the required prior approach.

During 2015, the Ombudsman received no complaints related to the EIB activities in the External Lending Region. However, and following the critical remark made by the Ombudsman to the Bank in 2014 concerning the handling of the procurement process of the Corridor V c) project in Bosnia and Herzegovina, the Bank carried out an audit of its monitoring of its procurement operations in 2015.

4.3. COOPERATION WITH INTERNATIONAL FINANCING INSTITUTIONS

Cooperation with other IFIs is an integral part of the EIB activities, ranging from dialogue on institutional matters, horizontal topics and thematic issues, and mutual consultation, to enhanced forms of operational co-financing and work sharing. Dialogues between IFIs mostly takes place within specialised working groups meeting periodically to share best practices or to address specific issues.

In 2015, the EIB continued working with other Multilateral Development Banks on the post 2015 Development Agenda and particularly on developing a common approach to roles with respect to Financing for Development. The key international events were the Third International Conference on Financing for Development (Addis), the UN Summit (New York) and the UN Framework Convention on Climate Change Conference of the Parties in Paris (COP 21). In that context, the EIB has intensified its cooperation with other Multilateral Development Banks and has notably co-authored several important reports with the Multilateral Development Banks (MDBs) and the IMF. In particular, the joint report “From billions to trillions: MDB contributions to financing for development”, which was issued ahead of the Addis Conference in July 2015 had a significant impact in drawing attention both to the joint and individual achievements of MDBs and to the considerable scaling up that is needed.

The EIB has had the responsibility in 2015 of chairing the MDB working group of the G7 Deauville Partnership for which the President of the EIB reported to the G7 Ministerial meeting at the WB-IMF Annual Meetings.

In 2015, the EIB has pursued its cooperation with the G20 through regular participation in and contribution to the G20 Infrastructure Investment Working Group (IIWG). The EIB has also strengthened its ties with the UN System, with new Memoranda of Understanding signed with two institutions, IFAD and UNIDO. The EIB has continued to contribute to the work of the OECD Development Assistance Committee (DAC) on the modernisation of Official Development Assistance (ODA).

The EIB has also continued to cooperate throughout 2015 with MDBs and other IFIs and relevant groups in order to harmonise climate finance tracking and impact reporting standards.

Under the Mandate, approximately 41% of signatures were co-financed with other IFIs and 31% of operations signed in 2015 were associated with a grant component from the Union budget. The detailed list of EIB operations co-financed with other IFIs in 2015 can be found in the SWD.