

II

(Acts adopted under the EC Treaty/Euratom Treaty whose publication is not obligatory)

DECISIONS

COUNCIL

COUNCIL DECISION

of 19 April 2007

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

(2007/247/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 94/375/EC of 6 June 1994 on Community membership of the European Investment Fund ⁽¹⁾, and in particular Article 3 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament ⁽²⁾,

Whereas:

(1) The authorised capital of the European Investment Fund (the Fund) was set at the time of its establishment at EUR 2 billion, divided into 2 000 shares each with a nominal value of EUR 1 million. In accordance with Article 7(1) of the Statutes of the European Investment Fund ⁽³⁾ (the Statutes), the subscribed capital is to be paid-in at a rate of 20 %.

(2) Pursuant to Decision 94/375/EC, the Community, represented by the Commission, subscribed for 600 shares of the Fund for a nominal value of EUR 600 million, of which EUR 120 million are paid-in.

(3) The guarantee and venture capital operations of the Fund may not exceed the ceilings set by Article 26 of the Statutes or by the General Meeting of the Fund. The ceilings depend on the size of the Fund's capital and own resources. As the Fund is expected to exhaust its own resources by mid-2007 and will therefore be unable to continue its own resources operations, the Board of Directors has proposed to increase by 50 % the Fund's authorised capital in nominal terms.

(4) The ECOFIN Council of 14 March 2006 adopted a report on the proposals put forward by the European Investment Bank Group (the EIB Group) for reinforcing the contribution by the EIB Group to promoting growth and employment in the European Union, which includes the proposal for a capital increase of the Fund.

(5) The European Council of 23-24 March 2006 welcomed the EIB Group contribution and invited the relevant actors to take the necessary follow-up steps, taking into account the final agreement on the Financial Framework 2007 to 2013.

(6) The Community subscription for the new shares would support the implementation of the Lisbon strategy and help achieve the Community's objectives in the field of small and medium-sized enterprises, job creation, innovation, research and development, cohesion and regional policy and enlargement.

(7) A budget allocation of EUR 100 million for the capital increase of the Fund is consistent with the final agreement on the Financial Framework 2007 to 2013.

⁽¹⁾ OJ L 173, 7.7.1994, p. 12.

⁽²⁾ Opinion delivered on 29 March 2007 (not yet published in the Official Journal).

⁽³⁾ OJ L 173, 7.7.1994, p. 1. Statutes as amended on 19 June 2000 by the General Meeting of the European Investment Fund (OJ C 225, 10.8.2001, p. 2).

- (8) New shares should be subscribed by the Fund's shareholders at their discretion over a four-year period, starting in 2007 and ending in 2010, while respecting the interests of the financial institution shareholders and the European Investment Bank as well as the budgetary constraints of the Community. 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.
- (9) The annual dividends received for the Community participation in the Fund from 1995 to 2006 have been duly returned to the Community budget. During the years 2007 to 2010, the dividends received should be considered as 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 Community shareholding in the Fund at 30 % of its capital.
- (10) Hitherto the Commission has forwarded the Annual Reports of the Fund to the European Parliament and the Council. With a view to simplifying the reporting procedure, it is necessary to provide that the Fund should send directly its Annual Report and the Annual Report of the Audit Board to the European Parliament and the Council.
- (11) Appropriate coordination, synergy and complementarity will be ensured between the operations of the Fund and the European Investment Bank, Community financial instruments for small and medium-sized enterprises and, where appropriate, other financial institutions,

HAS DECIDED AS FOLLOWS:

Article 1

In addition to its current shareholding in the European Investment Fund (the Fund), the Community shall subscribe for up to 300 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 Community shall purchase the new shares over a four-year period starting in 2007. During 2007 to 2010, the dividends received for the Community participation in the Fund shall be considered as assigned revenue, in accordance with Article 18(2) of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities⁽¹⁾, to cover part of the cost of subscription.

In addition, a total amount of up to EUR 100 million for the whole period shall be available within the general budget of the European Union to cover the remaining cost. The budgetary commitment may be broken down into annual instalments over four years in accordance with Article 76(3) of Regulation (EC, Euratom) No 1605/2002.

Article 3

The Commission shall submit to the Council an evaluation of the own resources activity of the Fund by 31 July 2012.

Article 4

The Fund shall send its Annual Report and the Annual Report of the Audit Board to the European Parliament and the Council.

Article 5

This Decision shall take effect on the day of its publication in the *Official Journal of the European Union*.

It shall apply from 19 April 2007.

Done at Luxembourg, 19 April 2007.

For the Council
The President
B. ZYPRIES

⁽¹⁾ OJ L 248, 16.9.2002, p. 1. Regulation as amended by Regulation (EC, Euratom) No 1995/2006 (OJ L 390, 30.12.2006, p. 1).