

Guarantee Fund for external actions. Codification

2008/0117(CNS) - 16/07/2014 - Follow-up document

In accordance with Council Regulation (EC, Euratom) No 480/2009, the Commission sent a report to the European Parliament, the Council and the Court of Auditors on the situation of the Fund and the management thereof for each financial year by 31 May of the following year. The Fund was set up in order to repay the Union's creditors in the event of default by beneficiaries of loans granted or guaranteed by the European Union.

Financial position of the Fund at 31 December 2013: the financial position of the Fund is the sum of all the financial flows since the setting up of the Fund in 1994. The Fund totalled **EUR 2 004 356 642.91**.

The accounting value of the Fund decreased by about EUR 18 million in 2013. This is explained by:

Increasing:

- the contribution from the budget (provisioning amount) of EUR 58 million to adjust the Fund to the 9% target amount;
- the net revenues on financial operations amounted to EUR 32 million;
- a change of EUR 4 million consisting mainly of the payable for the guarantee calls to the Fund (payment occurred early 2014).

Decreasing:

- intervention of the Fund to cover defaulted payments by Syria for a total amount of EUR 65 millions thereof 22 million are still to be paid as at 31 December 2013 (other accounts payable);
- repayment to the budget of EUR 30 millions due to the accession of a new Member State (Croatia);
- the portfolio valuation decrease by EUR 17 million due to the mark to market adjustment of its value.

Significant transactions: the report notes that since November 2011, the EIB is facing **arrears on Syrian sovereign loans**. As a consequence, and in line with the guarantee agreement between the EU and the EIB, the EIB has made 4 calls on the EU Guarantee Fund in 2012 for a total amount of EUR 42 million (from which EUR 2.15 million have been recovered) and 9 calls in 2013 for an amount of EUR 64.83 million (refer to the paragraph on default payments).

To adjust the Fund to the 9% of the total outstanding capital liabilities, **an amount of EUR 58.43 million was entered in the 2014 budget for the provisioning of the Fund**. At 31 December 2012, the target amount was EUR 2,078.92 million corresponding to the 9% of the total outstanding guaranteed operations (EUR 23,099.15 million). The difference between the target amount and the net assets of the Fund of EUR 2,020.49 million at 31.12.2012 was equal to EUR 58.43 million.

This amount was requested for the provisioning of the Fund in 2014 and was approved by the Council and the European Parliament as part of the approval of the 2014 budget in November 2013. It was subsequently recognised as a receivable of the Fund from the budget.

On 20 February 2013 an amount of EUR 155.66 million was transferred from the budget to the Fund corresponding to the provisioning amount for 2013.