EIB loans: extending the Community guarantee to cover loans for projects in Yugoslavia

2001/0143(CNS) - 06/11/2001 - Final act

PURPOSE: To extend EIB guarantees to cover loans for projects in the Federal Republic of Yugoslavia. COMMUNITY MEASURE: Council Decision 2001/778/EC amending Decision 2000/24/EC so as to extend the Community guarantee granted to the European Investment Bank to cover loans for projects in the Federal Republic of Yugoslavia. CONTENT: Since the restoration of democratic institutions in the Federal Republic of Yugoslavia, the European Union has agreed to lift the sanctions imposed upon Serbia and to fully integratate it into the Stabilisation and Association process. As part of this process a guarantee mandate to the EIB to sign loan operation in the FRY has been extended. Priority will be given to infrastructure and private sector development. Prior to EIB lending however, the EU has insisted that further grants should be conditional upon clearnace in full of all outstanding due finacial obligations of all public entities of the FRY towards the European Communities. Similarly, there needed to be a guarantee, on behalf of the FRY, of those obligations that are not yet due. Accordingly, in October 2001 the government of the FRY cleared all of its outstanding arrears towards the EU and the EIB, as well as ratifiying an agreement with the EIB whereby the FRY accepts responsibility for all financial obligations of all public entities of the FRY towards the EIB that are not yet due. Thus, the way is now clear to extend EIB loans for projects in the FRY. This Council Decision amends Council Decision 2000/24/EC of 1999 which offers a Community guarantee to the EIB against losses under loans for projects outside the Community (including amongst others Central and Eastern Europe). The amendments will include the Federal Republic of Yugoslavia as well as extending the loan ceilings from EUR 19 110 million to EUR 19 460 million. ENTRY INTO FORCE: 09/11/2001.