

European Investment Bank (EIB) loans to the former Yugoslav Republic of Macedonia FYROM: Community guarantee to the EIB against losses

1998/0006(CNS) - 13/01/1998 - Legislative proposal

OBJECTIVE: to extend to the former Yugoslav Republic of Macedonia (FYROM) the Community guarantee to the European Investment Bank (EIB) against losses under loans for projects in the former Yugoslav Republic of Macedonia. **CONTENTS:** on 27 November 1997, the Council adopted 2 decisions concerning the conclusion of a cooperation agreement and a transport agreement between the European Community and the FYROM. These 2 agreements entered into force on 1 January 1998 (cf. "fiches de procédure" AVC96259 and AVC96260). The cooperation agreement includes a protocol on financial cooperation in which the Community requests the EIB to grant loans from its own resources up to a ceiling of ECU 150 m until 31 December 2000. In order to make the loans provided for, the EIB requires a Community guarantee. This is the purpose of the proposed amendment to Council Decision 97/256/EC (cf. "fiche de procédure" CNS96278) which seeks to grant the EIB a Community guarantee against losses under loans for projects outside the Community. In this amendment, the Commission extends the budget guarantee to the FYROM and increases the sum already allocated in Decision 97/256/EC to the budget guarantee for loans granted by the EIB to the various countries in question (Asia, Latin America etc.) by the necessary amount (i.e. ECU 150 m) until 31 December 2000. EIB loans to the FYROM are subject to the provisions of Regulation (EC, EURATOM) no. 2728/94 establishing a guarantee fund for programmes outside the Community. The resources needed for the purpose have been allocated to the fund in anticipation of loans of ECU 150 m.