EC general budget: guarantees, situation at 30 June 1995. Report

1995/2315(COS) - 19/09/1996 - Text adopted by Parliament, single reading

In adopting the report by Mr John TOMLINSON (PSE, UK) on guarantees covered by the general budget - situation at 30 June 1995, Parliament regretted that the Commission had presented only a descriptive assessment with no regard to future perspectives and developments. The report observes that the report on the guarantee situation contains no mention of the limitations imposed by the guarantee reserve for loans to third countries and is tantamount to presenting misleading statements. Pointing out that the situation of the Guarantee Fund mechanism is particularly critical, the report takes the view that the lending and borrowing activities of the Community will by 1997 face a situation when not even the present level of allocations can be maintained at their current level. Noting that the European Council at its Summit meeting in Cannes concluded that it is necessary to extend lending and borrowing activities of the Community to third countries, the report asks Commission and Council to propose a revision of the Guarantee Fund mechanism which will contain an adequate balance between an increase of the Guarantee reserve and a flexible application of the risk coverage and of its provisioning rate.