

# **European Investment Bank (EIB) loans for projects in Bosnia and Herzegovina: Community guarantee to the EIB**

1998/0175(CNS) - 14/12/1998 - Final act

**OBJECTIVE:** to extend the Community guarantee granted to the European Investment Bank (EIB) to cover loans for reconstruction projects in Bosnia-Herzegovina. **COMMUNITY MEASURE:** Council Decision 98/729/EC amending Decision 97/256/EC so as to extend the Community guarantee granted to the EIB to cover loans for projects in Bosnia and Herzegovina. **CONTENTS:** the decision seeks to extend the 70% Community guarantee agreed with the EIB to cover loans for projects in Bosnia and Herzegovina for a two year period from 22 December 1998. This guarantee will not constitute a precedent for any future guarantees. The loans will be granted out of the EIB's own resources and according to the bank's lending criteria. The guarantee will amount to a total of ECU 100 m. It is specifically stipulated that the Community will only grant the guarantee if Bosnia meets all its overdue financial obligations to the EIB and the Community and if it agrees to guarantee those obligations not yet due. EIB lending in Bosnia will be consistent with the policy of the Community in this country. The EIB will operate within the framework of the reconstruction programme agreed at the various donors' conferences and will finance projects of mutual interest concerning infrastructure networks, particularly transport, energy and the environment (water, waste water and sanitation). Apart from the Community guarantee, the decision also provides for EIB loans to include Community interest rate subsidies (2%). Financial decisions will be taken in accordance with the procedures laid down in Regulation (EC) no. 1628/96 on aid to the former Yugoslavia. The Commission will be required to submit a report on the implementation of this decision, including an assessment of its success, to the European Parliament and the Council at the end of 1999. **ENTRY INTO FORCE:** 22 December 1998.