EIB loans to Russia and the Western New Independent States WNIS: EC guarantee (ext. Decision 2001/777/EC)

2004/0121(CNS) - 22/12/2004 - Final act

PURPOSE: to grant a Community guarantee to cover lending in Russia, Ukraine, Moldova and Belarus by the European Investment Bank (EIB).

LEGISLATIVE ACT: Council Decision 2005/48/EC.

CONTENT: In its conclusions relating to financial co-operation with Russia and the WNIS and in the context of the EU's European Neighbourhood Policy and its Northern Dimension initiative, the Ecofin Council of 25 November 2003 agreed to a Community guarantee for a ceiling of EUR 500 million for loans which the EIB would grant from its own resources in Russia and the Western New Independent States. The action will cater for limited lending in Russia and WNIS in certain sectors (i.e. environment, and transport, telecommunications, energy infrastructure on priority TEN axes with a cross-border aspect for a Member State) and it should benefit exceptionally from a 100% guarantee cover outside the general external lending mandate.

This mandate will be subject to, on the one hand, appropriate conditionality consistent with EU high-level agreements on political and macro-economic aspects, and with other IFIs on sectoral and project aspects, and, on the other hand, appropriate work sharing between the EIB and the EBRD. EIB lending will be activated on a country-by-country basis, subject to appropriate reform efforts undertaken in each of the countries concerned. The individual countries would become eligible under the ceiling as and when they fulfil specific conditions consistent with European Union high-level agreements with the country in question on political and macro-economic aspects. The Commission will determine when an individual country has fulfilled the specific conditions and will notify the EIB.

The Decision will cover lending activity by the EIB until end January 2007.

DATE OF ENTRY INTO FORCE: 22/12/2004.