Guarantee Fund for external actions

1993/1004(CNS) - 21/06/2005 - Follow-up document

The Commission has presented its Annual Report on the Guarantee Fund and its Management in 2004.

At the close of the 2004 financial year, the Fund totalled EUR 1,612,856,213.44. This is the sum, since the Fund was established, of all: budget payments to the Fund (EUR 2,532,164,500.00); successive yearly net results (EUR 473,032,495.02); late repayments from non-member countries (EUR 575,673,913.77); debts corresponding to the repayments not made to the EIB (EUR 765,497.93); commission received on late recovery in 2002 (EUR 5,090,662.91); less calls on the Fund's resources (EUR 477,860,856.19) and successive repayments to the budget of the surplus in the Fund (EUR 1,496,010,000.00).

After the deduction of accruals (EIB's remuneration), the Fund total at 31 December 2004 amounts to EUR 1,612,090,715.51.

The total amount of the consolidated balance sheet is EUR 1,614,117,863.19. This includes the total amount of the Fund plus the arrears covered by the Fund and the accruals of interests on late payments.

Council Regulation 2728/94/EC, Euratom requires that the amount of the Fund has to reach an appropriate level (target amount) set at 9% of the total outstanding capital liabilities arising from each operation, plus unpaid interest due. Council Regulation 2273/2004/EC, Euratom stipulates that operations towards accession countries covered by the Guarantee Fund remain covered by the Communities guarantee after the date of accession. However, from that date, they cease to be external actions of the Communities and are covered directly by the general budget of the European Union and no longer by the Guarantee Fund.

Therefore, outstanding lending and loan guarantee operations for third countries plus unpaid interest due totalled EUR 12,068,132,585.66 at 31 December 2004, of which EUR 144,107,751.62 was accounted for by interest due but not yet paid.

Consequently, an amount of EUR 338,831,402.07 was repaid to the budget on 10 January 2005, representing 9% of the outstanding operations granted to the new Member States at 1 May 2004 (EUR 3,764,793,356.32).

The ratio between the Fund's resources (EUR 1,612,090,715.51 - EUR 338,831,402.07) and outstanding capital liabilities within the meaning of the amended Regulation was 10.55%. Since this is higher than the target amount of 9%, a repayment from the Fund to the general budget of the European Union had to be made, as provided for in the third paragraph of Article 3 of the Regulation. The amount to be repaid to the budget in 2005 came to EUR 187,130,000.00.