

Community loans to third countries: provisioning mechanism of the Guarantee Fund for external actions

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The committee adopted the report by Esko SEPPÄNEN (EUL/NGL, FI) broadly approving the proposal to amend the 1994 regulation establishing a Guarantee Fund for external actions, subject to a few amendments under the consultation procedure:

- the legal base for the proposal should be Article 181a of the EC Treaty (economic cooperation with third countries) rather than Article 308 as proposed by the Commission;
- should the reserve created to endow the Guarantee Fund be abolished for the 2007-2013 Financial Perspective, the Guarantee Fund should be financed outside the Financial Perspective ceilings and included in the reserve;
- if resources in the fund fall below 75% of the target amount (rather than 50% as originally proposed), as a result of the activation of guarantees on one or more major defaults, the Commission should not only submit a report on exceptional measures that might be required to replenish the Fund but also immediately inform the budgetary authority of the reasons for this situation.