

## Basic information

1998/0117(CNS)

CNS - Consultation procedure  
Regulation

Procedure completed

Guarantee Fund for external actions: target amount

Amending Regulation (EC, Euratom) No 2728/94 1993/1004(CNS)

### Subject

6.30.04 Loans to third-countries, Guarantee Fund  
8.70.01 Financing of the budget, own resources

## Key players

European  
Parliament

### Committee responsible

**BUDG** Budgets

### Rapporteur

TOMLINSON The Lord John  
E. (PSE)

### Appointed

19/01/1998

### Former committee responsible

**BUDG** Budgets

### Former rapporteur

TOMLINSON The Lord John  
E. (PSE)

### Appointed

19/01/1998

### Former committee for opinion

**AGRI** Agriculture and Rural Development

### Former rapporteur for opinion

The committee decided not  
to give an opinion.

### Appointed

**ECON** Economic and Monetary Affairs, Industrial Policy

GARCÍA-MARGALLO Y  
MARFIL José Manuel (PPE)

25/06/1998

**ENER** Research, Technological Development and Energy

The committee decided not  
to give an opinion.

**RELA** External Economic Relations

The committee decided not  
to give an opinion.

23/07/1998

**REGI** Regional Policy

The committee decided not  
to give an opinion.

**ENVI** Environment, Public Health and Consumer Protection

The committee decided not  
to give an opinion.

25/02/1998

	<b>CONT</b> Budgetary Control	The committee decided not to give an opinion.	
	<b>PECH</b> Fisheries	The committee decided not to give an opinion.	
Council of the European Union	<b>Council configuration</b>	<b>Meetings</b>	<b>Date</b>
	Economic and Financial Affairs ECOFIN	2143	1998-12-01
	Economic and Financial Affairs ECOFIN	2181	1999-05-25

Key events			
Date	Event	Reference	Summary
18/03/1998	Legislative proposal published	COM(1998)0168	<a href="#">Summary</a>
15/06/1998	Committee referral announced in Parliament		
26/10/1998	Vote in committee		<a href="#">Summary</a>
26/10/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0388/1998</a>	
18/11/1998	Debate in Parliament		
19/11/1998	Report referred back to committee		
01/12/1998	Debate in Council		
18/03/1999	Vote in committee		<a href="#">Summary</a>
18/03/1999	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0146/1999</a>	
05/05/1999	Debate in Parliament		
25/05/1999	Act adopted by Council after consultation of Parliament		
25/05/1999	End of procedure in Parliament		
02/06/1999	Final act published in Official Journal		

Technical information	
<b>Procedure reference</b>	1998/0117(CNS)
<b>Procedure type</b>	CNS - Consultation procedure
<b>Procedure subtype</b>	Legislation
<b>Legislative instrument</b>	Regulation
<b>Amendments and repeals</b>	Amending Regulation (EC, Euratom) No 2728/94 <a href="#">1993/1004(CNS)</a>
<b>Legal basis</b>	EC Treaty (after Amsterdam) EC 308 Rules of Procedure EP 050
<b>Stage reached in procedure</b>	Procedure completed
<b>Committee dossier</b>	BUDG/4/10563

## Documentation gateway

## European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0388/1998</a> <a href="#">OJ C 359 23.11.1998, p. 0005</a>	26/10/1998	
Text adopted by Parliament, partial vote at 1st reading /single reading		<a href="#">T4-0671/1998</a> <a href="#">OJ C 379 07.12.1998, p. 0121-0155</a>	19/11/1998	<a href="#">Summary</a>
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A4-0146/1999</a> <a href="#">OJ C 219 30.07.1999, p. 0006</a>	18/03/1999	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T4-0439/1999</a> <a href="#">OJ C 279 01.10.1999, p. 0256-0373</a>	06/05/1999	<a href="#">Summary</a>

## European Commission

Document type	Reference	Date	Summary
Legislative proposal	<a href="#">COM(1998)0168</a> <a href="#">OJ C 032 06.02.1999, p. 0011</a>	18/03/1998	<a href="#">Summary</a>
Document attached to the procedure	<a href="#">COM(1998)0182</a> 	18/03/1998	

## Additional information

Source	Document	Date
European Commission	<a href="#">EUR-Lex</a>	

## Final act

[Regulation 1999/1149](#)  
[OJ L 139 02.06.1999, p. 0001](#)

[Summary](#)

## Guarantee Fund for external actions: target amount

1998/0117(CNS) - 18/03/1998 - Legislative proposal

OBJECTIVE: In the context of Agenda 2000 (COS0590) and the new Financial Perspective for 2000-2006 (COS695), to amend the target amount of the Guarantee Fund and the rate at which Member States are to contribute to it (the 'provisioning rate'). SUBSTANCE: The Guarantee Fund instituted by Regulation (EC, Euratom) No 2728/94 has two objectives: to provide the Community with an instrument to protect it against budgetary impacts arising from activation of the Community guarantee, and to create an instrument of budgetary discipline with regard to the Community's policy on lending to third countries. In the light of experience gained since 1994, amendments are needed to enable the Fund to operate normally without maintaining a reserve disproportionate to its needs. This is the aim of the present proposal, whose purpose is to: 1) reduce from 10% to 8% the target amount of the Guarantee Fund, giving the Fund access to resources which are adequate but not too much to be financially viable and to cover any defaults on loans guaranteed by the Community budget; 2) set the Fund's provisioning rate at 6% rather than the current 14% in order not to make

excessive demands on Member States for funds for the guarantee reserve (corrective measures are provided for if the target amount is not attained following the reduction of the provisioning rate). The reduction in the provisioning rate should be accompanied by a proportional reduction in the reserve to a level of euro 150 m per annum over the period of the next Financial Perspective (with the possibility of establishing a limited reserve of euro 150 m as of 1999). This reserve ceiling should make it possible to guarantee euro 2500 m in loans in 2000-2006. Other amendments are also provided for with regard to management; the Commission is to undertake the financial management of the Fund. The Court of Auditors will monitor its management. The proposal provides for an overall report to be drawn up concerning the Fund's operation before 31.12.2006.

## **Guarantee Fund for external actions: target amount**

1998/0117(CNS) - 25/05/1999 - Final act

PURPOSE: amendment of Council Regulation 2728/94/EC, EURATOM establishing a Guarantee Fund to modify the target amount and its provisioning rate. COMMUNITY MEASURE: Council Regulation 1149/1999/EC, EURATOM amending Regulation 2728/94/EC, EURATOM establishing a Guarantee Fund for external actions. CONTENT: In view of the experience accumulated since the creation of the Guarantee Fund in 1994, it was decided to amend Regulation 2728/94/EC, EURATOM as follows: 1) To reduce the target amount of the Funds from 10% to 9% of the Community's total outstanding capital liabilities arising from each operation, increased by unpaid interest due. 2) To set the provisioning rate of the Fund at 9% rather than the current 14% and at 10% if the resources in the Fund stand below 75% of the target amount. Provision is also made for the case of if the Fund were to exceed the target amount, the surplus amounts would be paid back into the general budget of the Community. The Regulation requires the Commission to draw up comprehensive reports, to be submitted to the Council and the Parliament, on the operation of the Fund by 31.12.2006. This should take account of any eventual modifications following the enlargement of the Community. Appropriate proposals for modification of the parameters of the Fund may be proposed on this occasion. ENTRY INTO FORCE : 01.01.2000.

## **Guarantee Fund for external actions: target amount**

1998/0117(CNS) - 06/05/1999 - Text adopted by Parliament, 1st reading/single reading

Under consultation procedure, the European Parliament adopted the supplementary report by John Tomlinson (PSE,UK), which approves the Commission proposal for a Council regulation (EC, Euratom) amending Council regulation (EC, Euratom) No 2728/94 establishing a Guarantee Fund for external actions, in the form on which political agreement has been reached in Council which takes account of the amendments which Parliament adopted on 19/11/98.

## **Guarantee Fund for external actions: target amount**

1998/0117(CNS) - 19/11/1998 - Text adopted by Parliament, partial vote at 1st reading/single reading

Following confirmation by the Commissioner, Mr Hans van den BROEK, that the Commission could not accept all the amendments adopted by plenary, the rapporteur, Mr John TOMLINSON (PSE, UK), requested referral back to committee of his report, which was agreed. A more flexible attitude on the part of the Commission with regard to the demands was hoped for. In its amendments Parliament stressed the following aspects: - management of the Fund to be in the hands of the EIB rather than the Commission (as the latter proposed); - greater information on the operation of the Guarantee Fund and its management by means of regular Commission reports; - the budgetary authority to be informed in advance of any approval of specific loans and its implications for the Guarantee Fund.