Basic information

2003/0232(CNS) CNS - Consultation procedure Decision	Procedure completed
Community guarantee to the European Investment Bank against losses under loans for projects outside the Community: enlargement and new neighbourhood policy Amending Decision 2000/24/EC 1999/0080(CNS) Repealed by 2006/0139(CNS) **Subject** 6.30.04 Loans to third-countries, Guarantee Fund 6.40.15 European neighbourhood policy 8.20.02 Enlargement 2004: new Member States 8.20.04 Pre-accession and partnership	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	BÖGE Reimer (PPE-DE)	04/11/2003

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	NAPOLETANO Pasqualina (PSE)	04/11/2003
ITRE Industry, External Trade, Research, Energy	PAASILINNA Reino (PSE)	27/11/2003

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	2633	2004-12-21

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	

Key events

Date	Event	Reference	Summary
13/10/2003	Legislative proposal published	COM(2003)0603	Summary

05/11/2003	Committee referral announced in Parliament		
17/03/2004	Vote in committee		Summary
17/03/2004	Committee report tabled for plenary, 1st reading/single reading	A5-0198/2004	
31/03/2004	Decision by Parliament	T5-0230/2004	Summary
31/03/2004	Results of vote in Parliament		
20/04/2004	Decision by Parliament	T5-0278/2004	Summary
21/12/2004	Act adopted by Council after consultation of Parliament		
21/12/2004	End of procedure in Parliament		
25/01/2005	Final act published in Official Journal		

Technical information

Procedure reference	2003/0232(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Amendments and repeals	Amending Decision 2000/24/EC 1999/0080(CNS) Repealed by 2006/0139(CNS)
Legal basis	EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/20205

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0198/2004	17/03/2004	
Text adopted by Parliament, partial vote at 1st reading /single reading		T5-0230/2004 OJ C 103 29.04.2004, p. 0448-0546 E	31/03/2004	Summary
Text adopted by Parliament, 1st reading/single reading		T5-0278/2004 OJ C 104 30.04.2004, p. 0029-0127 E	20/04/2004	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2003)0603	13/10/2003	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2005/0047 OJ L 021 25.01.2005, p. 0009-0010	Summary

Community guarantee to the European Investment Bank against losses under loans for projects outside the Community: enlargement and new neighbourhood policy

2003/0232(CNS) - 20/04/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution based on the report by Reimer BOGE (EPP-ED, D) approving the Commission proposal as amended on 31 March 2004. (Please see the previous document.) The report stated in its justification that the extra EUR 500 million proposed for Russia and the Western New Independent States could be found through a technical operation involving a change of the guarantee rate on these loans from 100% to 65%. In practical terms, this hardly increases the risk, since the Guarantee Fund is currently over-provisioned.

Community guarantee to the European Investment Bank against losses under loans for projects outside the Community: enlargement and new neighbourhood policy

2003/0232(CNS) - 31/03/2004 - Text adopted by Parliament, partial vote at 1st reading/single reading

The European Parliament adopted (by 497 for, 13 against and 13 abstentions) the report by Reimer B·GE (EPP-ED, D) approving the proposal under the consultation procedure, subject to a few amendments. However, after the adoption of the following amendments, this issue was referred back to the committee responsible for further examination. The Parliament felt that the loan proposed for Russia and the Western New Independent States (WNIS) was insufficient and wanted the sum to be increased to EUR 800 million. The overall ceiling of the credits opened shall be equivalent to EUR 20 260 million. MEPs also added a new provision calling on the EIB to prepare feasibility studies on the inclusion in the EIB lending mandate, as from 2007, of countries of the South Caucasus and Central Asia regions. It also called for the necessary preparatory measures in order to include, as of the next generation of EIB lending mandates to enter into effect on 1 January 2008 at the latest, the following countries: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan. Lastly, the Parliament calls for close cooperation between the EIB and the Commission to ensure consistency and synergy with the EU's geographical cooperation programmes and ensure that EIB loan operations complement and strengthen the EU's policies for those regions.

Community guarantee to the European Investment Bank against losses under loans for projects outside the Community: enlargement and new neighbourhood policy

2003/0232(CNS) - 13/10/2003 - Legislative proposal

PURPOSE : report from the Commission comprising a mid-term review of EIB external lending mandate pursuant to Council Decision 2000/24/EC and proposal to amend the Decision to take account of enlargement and cover a new South Eastern Neighbours envelope and redefine the lending envelope for MED. PROPOSED ACT : Council Decision. CONTENT : This report is submitted to the European Parliament and the Council in accordance with Council Decision 2000/24/EC. The report, which covers the period from the beginning of the mandate to 31 December 2002, includes: - information on the loan operations and progress made on risk-sharing; - an assessment of the operation of the scheme and of co-ordination between the financial institutions operating in the areas concerned; - an assessment of the contribution of the lending under the Decision to the fulfilment of the Community's relevant external policy objectives. In parallel with this mid-term review report, the Commission is submitting a comprehensive report on the Guarantee Fund for external operations. The mid-term report is presented in four sections: - the first section lists the legal bases and describes the guarantee system as foreseen in the Decision, - the second provides an overview of the Bank's operations under the mandate as at 31 December

2002; - the third section describes the operating environment and constraints under which the Bank operates, and - the fourth section addresses the outlook and the proposed changes for the remainder of the mandate period. The annexes provide details and assessment of the Bank's operations by region (Central and Eastern Europe, Mediterranean countries, Latin America and Asia, Republic of South Africa). The accompanying proposal for revision of the Council Decision reflects the proposed changes for the remainder of the mandate period. The current overall ceiling of the credits opened is equivalent to EUR 19 460 million. In addition, the Community guarantee covering the special earthquake facility for Turkey under Decision 1999/786/EC (TERRA) has taken the form of an extension of the global guarantee under the Decision 2000/24/EC. The ceiling of credits for TERRA amounts to EUR 600 million. The current ceiling amounts therefore to EUR 20 060 million. The projected utilisation of the different regional envelopes for the remaining period of the mandate points to a total volume of guaranteed lending that is slightly above the overall ceiling of the mandate. Taking into account these projections and the evolution of Community external policy priorities, the Commission proposes the following amendments: 1) A new geographical distribution of the current mandate volume within the resent ceiling of EUR 19 460. Specifically, it is proposed: i) to restructure the current Central and Eastern Countries envelope to cover Bulgaria, Romania, Turkey and the Western Balkans (a new South Eastern Neighbours envelope), in accordance with the agreement in Copenhagen to finance pre-accession supportfor Turkey from 2004 from the heading "pre-accession strategy" of the Financial Perspective. An amount of EUR 2 085 million would be transferred to this new envelope from the Mediterranean envelope. This amount is consistent with Turkey's share in the MED mandate up to end 2002. The ceiling for this new envelope would amount to EUR 9 185 million. ii) to redefine the new lending envelope for MED to take into account the foreseen lending under FEMIP in line with the "Wider Europe" initiative. After the transfer of Turkey, the revised ceiling for MED would amount to EUR 6 520 million. 2) A limited geographical extension of the mandate to Russia and the WNIS. Extending EIB's activities to these areas would be designed to reward reform efforts undertaken by the new neighbours. The extension would reflect the political importance of the region to the EU, as well as the need for enhanced investment in infrastructure that could be fostered by EIB projects. In the case of Russia, lending would as well build on the experience gained from the present lending mandate in support to environmental projects in the Baltic Sea basin of Russia. EIB lending would be activated on a country-by-country basis, subject to appropriate reform efforts in each of the countries concerned as demonstrated by the endorsement of jointly agreed Action Plans. Nevertheless, concerning Russia, the extension would apply as such to projects currently eligible under Council Decision 2001/777/EC, as soon as the EUR 100 million ceiling of the Decision has been reached. Given the time needed for implementation, the Commission foresees a small amount for the period up to 2006. The initial lending envelope would amount to EUR 300 million in total for the countries concerned. This EUR 300 million for the new group of countries would be additional to the overall ceiling established by Council Decision 2000/24/EC for the current set of regions. But it should be subject to the same rules as the general mandate and fall within the blanket guarantee coverage of 65% applied to the whole mandate. FINANCIAL IMPLICATIONS : - Budget heading : Art. B0-220: European Community guarantee for loans granted by the European Investment Bank to non member countries in the Mediterranean Basin; Art. B0-221: European Community guarantee for European Investment Bank loans to non member countries in central and eastern Europe and the western Balkans; Art. B0-222: European Community guarantee for European Investment Bank loans to other third countries. - Period of application : 2004-2006. - Method of application : The direct budgetary impact of the extension is linked to the mechanism of the Guarantee Fund and affects the use of the Reserve for the Guarantee Fund. It is calculated according to the current rules of the Fund: amount of the guaranteed loan * blanket guarantee rate* provisioning rate = EUR 300 million * 65% * 9% = EUR 17.55 million. The loans are planned to be signed in 2004 for EUR 50 million, in 2005 for EUR 100 million and in 2006 for EUR 150 million.

Community guarantee to the European Investment Bank against losses under loans for projects outside the Community: enlargement and new neighbourhood policy

2003/0232(CNS) - 22/12/2004 - Final act

PURPOSE: Amendment of Decision 2000/24/EC to take into account the enlargement of the European Union and the European Neighbourhood Policy.

LEGISLATIVE ACT: Council Decision 2005/47/EC.

CONTENT: The report prepared by the Commission in accordance with the third subparagraph of Article 1(1) of Council Decision 2000/24/EC granting a Community guarantee to the European Investment Bank against losses under loans for projects outside the Community (Central and Eastern Europe, Mediterranean countries, Latin America and Asia and the Republic of South Africa), concludes that some amendments to that Decision are appropriate, in particular in view of the enlargement of the European Union. The relevant changes have thus been made in the new paragraph 1 of the Decision.

The Decision has also been amended so that the overall ceiling of the credits opened shall be equivalent to EUR 19 460 million, broken down as follows:

- South-eastern Neighbours: EUR 9 185 million,

- Mediterranean countries: EUR 6 520 million,

- Latin America and Asia: EUR 2 480 million,

- Republic of South Africa: EUR 825 million,

- Special action supporting the consolidation and intensification of the EC-Turkey Customs Union: EUR 450 million and may be used by 31 January 2007 at the latest.

The credits already signed shall be taken into account as a deduction from the regional ceilings.

The necessary modifications have been made to Article 1(2) to take into account the enlargement of the EU and the new European Neighbourhood Policy so that it now relates to South-eastern Neighbours which are listed as Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Former Yugoslav Republic of Macedonia, Romania, Serbia and Montenegro, and Turkey.

ENTRY INTO FORCE: 22/12/2004.