Basic information

2004/0121(CNS) CNS - Consultation procedure Decision	Procedure completed
EIB loans to Russia and the Western New Independent States WNIS: EC guarantee (ext. Decision 2001/777/EC) **Subject** 6.30.04 Loans to third-countries, Guarantee Fund **Geographical area** Belarus Moldova Russian Federation Ukraine	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	SEPPÄNEN Esko (GUE/NGL)	20/09/2004

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	ROSATI Dariusz (PSE)	13/09/2004

Committee for opinion on the legal basis	Rapporteur for opinion	Appointed
JURI Legal Affairs	MEDINA ORTEGA Manuel (PSE)	20/09/2004

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
19/05/2004	Legislative proposal published	COM(2004)0385	Summary
15/09/2004	Committee referral announced in Parliament		
02/12/2004	Vote in committee		Summary
06/12/2004	Committee report tabled for plenary, 1st reading/single reading	A6-0066/2004	
14/12/2004	Decision by Parliament	T6-0089/2004	Summary
14/12/2004	Results of vote in Parliament		
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	2004/0121(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Decision
Legal basis	EC Treaty (after Amsterdam) EC 308
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/22093

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	JURI	PE350.094	25/11/2004	
Committee opinion	AFET	PE349.916	30/11/2004	
Committee report tabled for plenary, 1st reading/single reading		A6-0066/2004	06/12/2004	
Text adopted by Parliament, 1st reading/single reading		T6-0089/2004 OJ C 226 15.09.2005, p. 0023-0046 E	14/12/2004	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2004)0385	19/05/2004	Summary
Commission response to text adopted in plenary	SP(2005)239	19/01/2005	

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

Final act	
Decision 2005/0048 OJ L 021 25.01.2005, p. 0011-0012	Summary

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

2004/0121(CNS) - 14/12/2004 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Esko Olavi SEPPÄNEN (EUL/NGL, FI) and made some amendments to the Commission's proposal. (Please see the summary of 02/12/04.) Parliament inserted a clause stating that the EIB is invited to prepare feasibility studies on the possible inclusion in the general mandate, as from 2007, of countries of the South Caucasus and Central Asia.

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

2004/0121(CNS) - 19/05/2004 - Legislative proposal

PURPOSE : to grant a Community guarantee to cover lending in Russia and the Western New Independent States (WNIS) by the European Investment Bank (EIB).

PROPOSED ACT : Council Decision.

CONTENT : Council Decision 2001/777/EC granting a Community guarantee to the European Investment Bank against losses under a special lending action for selected environmental projects in the Baltic Sea basin of Russia under the Northern Dimension was adopted in support of the Northern Dimension initiative launched by the Helsinki Council of December 1999. The EIB lending under this Decision is now approaching its ceiling.

In its conclusions relating to financial co-operation with Russia and the WNIS, 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 WNIS. This action could be considered as a further development of Decision 2001/777/EC. 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.

Extending EIB activity to the WNIS is designed to reward reform efforts undertaken by these new neighbours. In the case of Russia, lending would further build on the experience gained from the present lending mandate in support to environmental projects in the Baltic Sea basin of Russia. The extension reflects 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.

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. It is proposed that the individual countries would become eligible under the ceiling as and when they fulfill 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.

Unlike the Northern Dimension Decision, this proposal does not foresee a case-by-case approval by the Board of Governors of the EIB.

It is proposed in line with the general mandate Decision 2000/24/EC that the Decision will cover lending activity by the EIB until end January 2007. Russia's and the WNIS's inclusion in the general mandate will be assessed in the review of the general mandate to be conducted in 2006.

FINANCIAL IMPLICATIONS :

- Budget heading : 01 04 01 11 (Former B0-222) European Community guarantee for European Investment Bank loans to other third countries.

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.

The following volumes of signatures could be envisaged: in 2004 EUR 100 million, in 2005 EUR 200 million and in 2006 EUR 200 million. The EIB estimates for loans over those years, as well as the Commission's estimates for Euratom and macro financial assistance loans, leave sufficient margins to fund the proposed extension of the mandate from the Reserve to the Guarantee Fund.

Should the EIB activate the Community guarantee, the Guarantee Fund will intervene. The Community budget will be called only after the resources of the Fund have been exhausted. As a result, the amount and timing of any call on this budget heading cannot be calculated in advance and should not occur since the guarantee fund mechanism has been created to avoid direct calls on Community budget.

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.