Proposal for a Council Decision extending a Community guarantee to the European Investment Bank in case of losses on loans in Estonia, Latvia and Lithuania

(92/C 311/05)

COM(92) 401 final

(Submitted by the Commission on 23 October 1992)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Community,

Having regard to the opinion of the European Parliament,

Whereas the peoples of Estonia, Latvia and Lithuania (hereinafter referred to as 'the three countries') have close historic relationships with the peoples of the Community; whereas these relations have been strengthened by the recent trade and cooperation agreements; whereas these three countries are undertaking major political and social reforms;

Whereas the three countries have embarked upon a fundamental economic reform; and whereas the ministers of the Group of 24 welcomed this at their meeting of 11 November 1991 and decided to extend G-24 coordinated economic assistance to them;

Whereas these economic reforms will significantly contribute to a strong development of mutually beneficial economic and commercial relationships between the three countries and the Community;

Whereas there is a great need for capital investment in the three countries; whereas this capital investment requires external finance; whereas the Community has agreed to cooperate with a view to aiding the three countries; whereas the European Investment Bank (hereinafter called 'the Bank') could make an important contribution;

Whereas the Council has invited the Bank, and the Bank has agreed, to make loans for capital investment projects carried out in the three countries under the guarantee provided in this Decision;

Whereas the Bank and the Commission should fix the terms on which this guarantee is to be given,

HAS DECIDED AS FOLLOWS:

Sole Article

The Community shall fully guarantee the European Investment Bank in case the Bank does not receive the payments due under any loan granted in accordance with its usual criteria in Estonia, Latvia and Lithuania. An overall limit of ECU 200 million shall be set for a three-year period.

To this end, the Bank and the Commission shall fix the terms on which the guarantee shall be given.