# COUNCIL DECISION

## of 15 March 1993

## granting a Community guarantee to the European Investment Bank against losses under loans for investment projects carried out in Estonia, Latvia and Lithuania

(93/166/EEC)

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 Commission (1),

Having regard to the opinion of the European Parliament (2),

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 also embarked upon a fundamental economic reform; 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 the three countries;

Whereas these economic reforms will significantly contribute to a rapid 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 necessary capital investment requires external finance; whereas the Community has agreed to set up cooperation with a view to aiding the three countries; whereas the European Investment Bank could make an important contribution thereto;

Whereas the Council has invited the Bank to make loans for capital investment projects carried out in the three countries offering it the guarantee provided in this Decision;

Whereas the Bank and the Commission should fix the terms on which this guarantee is to be granted;

Whereas a Guarantee Fund will be established as soon as possible in order to provide appropriate budgetary treatment of the guarantees for Community loans granted to third countries, in accordance with the conclusions of the European Council on 11 and 12 December 1992,

HAS DECIDED AS FOLLOWS:

*Article 1*

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 for investment projects carried out 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.

*Article 2*

Every six months the Commission shall inform the European Parliament and the Council as to the rhythm of take-up of loans under the guarantee. To this end, the European Investment Bank shall forward to the Commission all necessary details for the complete information of the European Parliament and the Council.

Once a year, the Commission shall submit to the European Parliament and the Council a report which will include an evaluation of the implementation of this Decision.

Done at Brussels, 15 March 1993.

*For the Council*

*The President*

M. JELVED

(1) OJ No C 311, 27. 11. 1992, p. 62.
(2) OJ No C 72, 15. 3. 1993.