

Guarantee Fund for external actions

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The Commission presents its annual report on the guarantee fund and its management in 2005.

At the close of the 2005 financial year, the Fund totalled EUR 1,324,663,957.25. This is the sum, since the Fund was established, of all:

- budget payments to the Fund EUR 2,672,274,500.00;
- successive yearly net results EUR 523,763,636.64;
- late repayments from non-member countries EUR 575,673,913.77;
- debts corresponding to the repayments not made to the EIB EUR 711,557.47;
- commission received on late recovery in 2002 EUR 5,090,662.91;
- adjustment due to the application of IFRS for the valuation of the Fund's portfolio EUR 46,981,944.72);
- less calls on the Fund's resources (EUR 477,860,856.19);
- successive repayments to the budget of the surplus in the Fund (EUR 1,683,140,000.00);
- and an exceptional repayment to the budget of EUR 338,831,402.07 was made on 10 January 2005, representing 9% of the outstanding operations as of 1 May 2004 granted to the new Member States.

After the deduction of accruals EUR 725,117.47, thereof EUR 702,497.47 management fees (EIB's remuneration), the Fund total at 31 December 2005 amounts to EUR 1,323,938,839.78.

Article 3 of Regulation 2728/94/EC requires that the amount of the Fund has to reach an appropriate level (target amount) set at 9% of the total outstanding capital liabilities arising from each operation, plus unpaid interest due. Therefore, outstanding lending and loan guarantee operations for third countries plus unpaid interest due totalled EUR 13,680,125,069.70 at 31 December 2005, of which EUR 125,823,921.72 were accounted for by interest due but not yet paid. The ratio between the Fund's resources EUR 1,323,938,839.78 and outstanding capital liabilities within the meaning of the amended Regulation was 9.68%. Since this is higher than the target amount of 9% of the total guaranteed outstanding amount (rounded amount of 1,231.21 EUR million), a repayment from the Fund to the general budget of the European Union has to be made, as provided for in the third paragraph of Article 3 of the Regulation. The amount to be repaid to the budget in 2006 is EUR 92,730,000.00.

The total amount of the pre-consolidated balance sheet is EUR 1,325,891,755.37. This includes the total amount of the Fund plus the arrears covered by the Fund, the accruals of interests on late payments and other accounting accruals in order to produce a full set of financial statements for the Fund at year-end to be consolidated in the EU consolidated balance sheet.

Council Regulation 2040/2000/EC concerning budgetary discipline authorised the entry in the general budget of a reserve for loans and guaranteed operations. This item, to which were allocated appropriations of EUR 223 million in 2005, is used for endowing the Fund by transferring amounts to the budget item for payments to the Fund.

In line with the legal bases, one transfer totalling EUR 140,110,000.00 to endow the Fund was adopted by the budgetary authority in 2005.

The transfer was paid under the mechanism for offsetting against the repayment of the Fund's surplus EUR 187.130.000,00 which took place on 15 July 2005. According to the Commission Communication on the Financial Perspectives 2007 - 2013, the amount available for financing of the Fund will not, in theory, be limited in the future by a budgetary mechanism as the funding of the Fund will be carried out through a budget line under Heading 4 (External Relations) and not, as at present, through a dedicated Reserve.

Lastly, as regards the remuneration, the EIB's remuneration for 2005 was fixed at EUR 702,497.47 and was entered in the profit-and-loss account and as accruals (liabilities) on the balance sheet. The remuneration will be paid to the EIB in the first quarter of 2006.