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**EUROPEAN COAL AND STEEL COMMUNITY (ECSC) -
ADJUSTMENT OF BORROWING AND LENDING POLICY WITH A VIEW TO
THE EXPIRY OF THE TREATY (23 JULY 2002)**

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Following its communication to the Council of 20.10.1993 concerning the future of the ECSC Treaty (doc. COM(93) 512 final), and having regard to of the memorandum on the Future of the ECSC's financial activities adopted by the Consultative Committee on 24.03.1994, of the resolution on the future of the ECSC Treaty adopted by the European Parliament in its plenary session of 21.04.1994 and the conclusions of the "Industry" Council of 22.04.1994, the Commission has decided to adjust its ECSC borrowing and lending policy as follows:

1. Loans under Article 54, first paragraph, will continue to be granted to the extent justified by the restructuring of the sectors.
2. Applications received after 30.06.1994 for loans under Article 54, second paragraph (see OJ C 291 of 31.10.1987) received after 30 June 1994 will no longer be considered by the Commission. The Commission nevertheless retains the right to examine requests, even after that date, when they concern large infrastructure projects which present a particular Community interest, provided that they are covered by a State guarantee and therefore imply no immobilisation of reserves.
3. Applications for loans under Article 56, second paragraph (see OJ C 188 of 28.07.1990 and OJ C 59 of 6.03.1992) received after 31 December 1996 will no longer be considered by the Commission. The Commission will ensure, with due respect for inter-institutional budgetary procedures, that the associated interest-rate subsidies will be reduced to ECU 275 million for the period from 1994 until the end of this activity.
4. Loans up to an overall maximum of ECU 1 000 million may be granted under the financial arrangements provided for in Article 53 (a) to cover expenditure connected with the definitive reduction of capacity in the iron and steel sector (cf. Commission Communication to the Council and the ECSC Consultative Committee of 8 March 1993, Doc SEC(93) 1241 final and OJ L 6 of 8.1.1994).
5. The Commission will examine the future of the workers' housing loans scheme at the latest at the end of the twelfth programme.
6. With a view to maximising the gradual release of ECSC reserves up to 2002, the Commission has adopted the following specific measures:
 - a) loans decided after 1 July 1994 will not extend beyond 23 July 2002 (except those which do not involve immobilisation of reserves);
 - b) ECSC loans agreed in the period 1994 to 1996 will not involve an immobilisation of reserves exceeding the amounts released during that same period as a result of repayments of outstanding loans.

c) the immobilisation of reserves resulting from ECSC loans to be drawn down from 1997 will not exceed a given percentage which will be fixed annually as part of the procedure for the preparation of the draft ECSC budget. This percentage will relate to the amount of reserves which will be released in the period under examination.

7. In accordance with the Council's conclusions of 22 April 1994, the EIB is invited to intervene in ways which are compatible with its own procedures and criteria, in the financing of projects which will no longer be taken on by the ECSC.

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