COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION

TREATMENT OF BORROWING AND LENDING OPERATIONS IN THE COMMUNITY'S FINANCES

CONTENTS

INTRODUCTION

When the Council adopted the modified Financial Regulation on 13 March 1990 the Commission entered the following statement in the minutes:

"The Commission undertakes to study the possibility of improving the treatment of borrowing/lending operations in Community budget documents. It will submit the conclusions of its study before the end of 1991."

The subsequent growth of borrowing/lending operations involving non-member countries has only increased the need for this review and has, to some extent, changed the context.

In line with the Commission's undertaking, this report:

- describes the current treatment and history of these operations;
- presents new factors which have since arisen to change the overall context and the question of borrowing and lending;
- discusses the various proposals which could be made for the improvement of budgetary presentation.

In view of the purpose of this report, the Commission has seen fit to include it with the other proposals and reports making up the Delors II package.

I. CURRENT SITUATION AND HISTORICAL DEVELOPMENT

A. BACKGROUND

The EEC Treaty does not contain any provisions which expressly authorize the Commission to conduct borrowing and lending operations on the Community's behalf.

On the ECSC Treaty (Articles 49, 51, 54 and 56) and the Euratom Treaty (Article 172(4)) provide for the use of borrowing and lending instruments in the areas they cover, on condition that they are not used to finance a budget deficit.[1]

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1 Article 51(1) ECSC:
"The High Authority may not use the funds obtained by borrowing except to grant loans."

Up to now, for policies falling within the EEC Treaty, the legal base used has been Article 235 or, where applicable, the specific legal base for policy to which the instrument related (Article 108 EEC for the balance of payments facility or Article 2 Euratom for Euratom borrowing and lending).

The development of EEC financial instruments covered by the general budget can be divided into four stages.

- In the first stage, there was no borrowing and lending under the EEC Treaty; these operations were carried out only by the ECSC, Euratom or the EIB.

- Towards the end of the sixties, the need to develop Community solidarity as part of the customs union prompted operations to support Member States facing balance of payments difficulties. Euratom operations were also incorporated in the general budget.

  The economic crisis which began in 1973 made it even more vital to increase Community solidarity and led to the various NCIs initiated between 1978 and 1982.

- Two new instruments were introduced in the seventies: the New Community Instrument (NCI) to support investment by small and medium-sized firms and the overall guarantee from the general budget for EIB loans to Mediterranean countries for microeconomic purposes.

- Events in Eastern Europe from 1989 onwards resulted on the one hand in an extension of the guarantee given to the EIB so that it could grant loans to the countries of Central and Eastern Europe - Poland and Hungary to begin with, followed by Czechoslovakia, Bulgaria and Romania - and, on the other hand, the first borrowing and lending operation involving a non-member country - Hungary - in early 1990.

  Other borrowing and lending operations for macroeconomic purposes followed, not only in Central and Eastern Europe (Czechoslovakia, Bulgaria and Romania) but also in Mediterranean countries (Israel, Algeria).

Recently, the food aid scheme for the ex-Soviet Union resulted in two operations of a new kind:

- an EEC guarantee to a pool of commercial banks in respect of a loan to finance imports of food products;

- a borrowing/lending facility also financing imports of food products.

It could be expected that other borrowing and lending operations will be added to these in the future: new EIB operations, new financial assistance loans to third countries, development of trans-European networks, for example.

As there are no specific provisions in the Treaty, a variety of instruments have developed without any overall framework. The 1992 budget thus contains sixteen headings with a token entry, covering outstanding capital of ECU 11 190 million at 31 December 1991.

At the end of 1991 the maximum potential risk in capital and interest covered by the budget up to the end of the century came to ECU 27.3 billion.

B. MAIN FEATURES OF THE INSTRUMENTS

Depending on the legal nature of the operation guaranteed by the Community budget, a distinction must be made between borrowing and lending operations and guarantees.

1. Borrowing and lending

The Commission contracts borrowings on the Community's behalf and the yield is on-lent to third parties on the same conditions as regards the amount, the term, the rate and the dates for the payment of interest.

The risk for the budget is that the sum borrowed by the Community must be repaid on the due date even if the recipient of the loan defaults.

A distinction is thus made between:

- borrowing/lending operations for macroeconomic purposes in the Member States: balance of payments loans;

- borrowing/lending operations for microeconomic purposes in the Member States: Euratom and NCI operations;

- borrowing/lending operations for macroeconomic purposes in non-member countries: medium-term financial assistance loans (Hungary, Czechoslovakia, Bulgaria, Romania, Algeria, Israel and food aid to the Soviet Union and its Republics).

- the medium-term loan to the Republics of the ex-Soviet Union in the form of a medium-term borrowing and lending operation with a three year duration for the financing of agricultural and food products.

2. Guarantees

The risk for the budget is represented by the Community's undertaking to service the loan if a debtor defaults (capital, interest and, if necessary, interest penalties).

The following guarantees apply:

- The guarantee granted to the EIB in respect of projects it finances outside the Community. This guarantee covers the entire loan, except in the case of operations under the Mediterranean protocols, for which the total amount covered by the guarantee may not exceed 75% of the total amount of loans contracted.

- The ECU 500 million guarantee given to a pool of banks in respect of a credit granted to the Soviet Union to finance imports of agricultural products and foodstuffs from the Community and the countries of Eastern and Central Europe.

The budgetary undertaking takes the form of the signature of a guarantee agreement between the Community and the institution guaranteed.

However, despite these differences in the economic and legal nature of the risk, the consequences of default for the budget are identical in every case and budgetary treatment of these operations is similar.

C. CURRENT TREATMENT

1. Legislation

Under the current borrowing/lending arrangements, the basic decision authorizing the operation is adopted by the Council after consulting Parliament.

Parliament may invoke the conciliation procedure provided for by the Joint Declaration of 4 March 1975.[1]

2. Financial perspective

The current Financial Perspective for 1988-92 does not contain any specific amount for activation of the guarantee when beneficiaries of borrowing/lending operations default. When the Financial Perspective was drawn up in 1988, it was considered that the budget risk was small since most of the operations took place within the Community.

3. Budget

3.1 Budget presentation

The budgetary authority is not called on to authorize borrowing and lending operations; however, it does authorize the guarantees for them.

At present, the general budget performs a dual role in respect of borrowing/lending operations:

- it provides the guarantee;
- it provides information in Annex II to Section III (Commission).

1 OJ C 89, 22.4.1975.

(a) Guarantee

Article 20(5) of the Financial Regulation states that:
"The budget shall show ... as regards borrowing and lending operations ...

- in the Commission section:

. the budget headings relating to the categories of operation and carrying a token entry, so long as no effective charge which has to be covered by specific resources has arisen,

. remarks giving a reference to the legal basis and, where appropriate, the volume of the operations envisaged and the financial guarantee given by the Communities in respect of these operations ..."

This heading in the statement of expenditure - which initially carries a token entry - represents the guarantee of the EEC's undertaking towards lenders if loan recipients default on repayment on the due dates. After funds have, if necessary, been drawn provisionally from cash resources, appropriations are allocated to this heading by means of transfers or a supplementary budget.

The statement of revenue also contains a heading carrying a token entry to accommodate any subsequent repayments by defaulters.

(b) Information in Annex II

Article 20(5)(c) of the Financial Regulation states that information should be provided in a document annexed to the Commission section, as an indication; on

- current capital operations and current debt management,

- the capital operations and debt management for the financial year in question.

The purpose of this annex is to provide the budgetary authority with a record of borrowing and lending operations so that it can obtain an overall picture of the potential risks borne by the general budget.

3.2 Revenue and expenditure account and balance sheet

3.2.1 Revenue and expenditure account

The revenue and expenditure account sets out actual expenditure on guarantees for borrowing and lending operations (Title BO-2 of the general budget). The only sector in which these guarantees have been activated is in cooperation with non-member countries.

The 1989 revenue and expenditure account contained ECU 4.170 million under the heading covering the EEC guarantee for loans granted by the EIB to third countries in the chapter for cooperation with Mediterranean countries. The same heading contained ECU 12.746 million in payments for 1990. These amounts are accounted for by payments of the guarantee in respect of Syria and Lebanon.

3.2.2 Balance sheet

The balance sheet contains the following two items:

(a) Community guarantee

The Community guarantee appears under "commitments not included in the balance sheet":

- as the guarantee for the repayment of borrowings contracted by the European Communities which carries a token entry, since the corresponding borrowings are shown together with the amount involved on the liabilities side of the balance sheet;

- as the guarantee for the repayment of loans granted by the EIB from its own resources to non-member countries; the amount indicated for this guarantee (ECU 2 251.8 million at the end of 1990) corresponds to 75% of outstanding loans under the Mediterranean protocols (the percentage guaranteed) or 100% in the case of other loans.

(b) Outstanding loans

A table attached to the balance sheet contains a forecast of the amount of guaranteed EIB loans outstanding up to the expiry of the final loan on the basis of the amounts disbursed.

4. Evaluation of risk

Figures are provided in Annex II to the budget. In its reports, the Court of Auditors usually makes a more qualitative analysis of the risk situation.

5. Control

These operations are submitted to Financial Control and the Court of Auditors.

5.1 Financial Control

Financial Control gives its approval at the proposed stage relating to ECSC, Euratom, NCI and balance of payments loans.

5.2 Court of Auditors

The Court of Auditors examines the accounts for all Community revenue and expenditure on the basis of Article 206a of the Treaty and audits borrowing and lending operations conducted outside the budget in the same way as budget revenue and expenditure. The Court's comments are contained in its annual report, which is examined by Parliament as part of the discharge procedure and by the Council when drawing up its discharge recommendation.

Recently the Court produced special report 3/90 on ECSC, Euratom and NCI borrowing and lending operations.

The Court thus conducts a wide-ranging examination of the legality, regularity and sound financial management of borrowing and lending operations. The Commission is required to supply it, on request, with all the information it considers necessary (Article 206a(3) of the Treaty).

For the monitoring of EIB loans guaranteed by the Community budget, the Commission, the Court and the Bank have concluded a tripartite agreement on cooperation in control procedures.

II. GREATER TRANSPARENCY FOR BORROWING AND LENDING OPERATIONS

A. TREATMENT OF BORROWING AND LENDING OPERATIONS IN BUDGET DOCUMENTS AND EVALUATION BY THE BUDGETARY AUTHORITY

As the Treaty has recently been revised without any change to the budgetary provisions, the Commission can see no point in reopening the issue of "budgetising" borrowing and lending operations.

However, the Commission feels that treatment could be improved at three levels:

1. New structure for budget documents

To increase the transparency of financial operations, the actual presentation of budget information should also be improved. The Commission considers that in future the budget should consist of two separate volumes:

(a) Volume I would consist of the general budget itself. Its composition would remain the same and it would also contain the headings, with token entries, representing the guarantee in respect of borrowing/lending operations.

(b) Volume II (see Annex I) would be devoted exclusively to borrowing/lending operations. In practice, it would therefore replace the current Annex II to Section III (Commission).

This would have two advantages:

- The argument about the full "budgetization" of borrowing and lending operations would not be rekindled since Volume I would contain all the budgetised elements, which would be authorized by the budgetary authority.

- Capital operations (borrowing/lending) would be presented in a separate volume with the same standing, if not the same status, providing all the information needed for evaluation by the budgetary authority.

This new presentation is more satisfactory in that it would set out all aspects of the Community's finances in a single document. It is evident that borrowing/lending operations contribute to the implementation of Community policies, even though the financial and technical arrangements are different.

2. Information

The indicative information contained in the current annex would be improved if a separate volume were devoted to borrowing/lending operations. Every effort would be made to provide better forward information. The budgetary authority would then be better informed about the planned pace of operations even though the value of forecasts in this field is only relative. As borrowings are always contracted to match actual requests for loans, any forecasting exercise is automatically subject to external factors which, by definition, are beyond the Commission's control.

3. The budgetary authority's assessment of borrowing and lending operations

At present, the Financial Regulation does not lay down any procedure for the use to be made of Annex II, which is provided by way of information. The Regulation could include an additional title on specific provisions for borrowing and lending operations, comprising all the provisions relating to these operations. A new article would be introduced to the effect that "in adopting the budget, the budgetary authority shall make an assessment of the conditions of implementation of the borrowing and lending operations."

B. CLOSER MONITORING OF RISKS: SIX-MONTHLY REPORT TO THE BUDGETARY AUTHORITY

In view of the growing risk guaranteed by the Community budget as a result of the extension of aid to non-member countries, and in response to the concern expressed by the budgetary authority, the Commission gave an undertaking in a statement made when the vote was taken on supplementary and amending budget No 1/91 to report to the budgetary authority twice a year on budget guarantees and the corresponding risks.

The first such report was in four parts:

- a description of the risks covered by the budget at 30 June 1991;

- an outline of operations not yet entered in the budget but for which proposals had been made by the Commission;

- the situation as regards risks for the budget in future years and guarantees already activated;

- assessment of the situation of non-Community countries benefiting from operations guaranteed by the general budget (see Annex II for the risks situation at 31 December 1991).

The budgetary authority will thus be kept informed about the size of risks borne by each future budget as a result of operations already under way, operations on which a decision has been taken but in respect of which no amounts have yet been disbursed and operations proposed by the Commission but on which the Council has still not taken a decision.

The six-monthly reports combined with the improved information provided by the budget documents will enable the Commission and the budgetary authority to maintain almost continual monitoring of the risk situation.

C. MORE EFFECTIVE PROCEDURES FOR ENTERING IN THE BUDGET AMOUNTS CONNECTED WITH ANY ACTIVATION OF THE GUARANTEE

The Community is always in a position to honour its undertakings to third parties, since provisional recourse to its cash resources, as provided for in Article 12 of Regulation 1552/89,[2] makes it possible to meet whatever payment obligations may arise pending the budgetary settlement of a claim.

2 OJ L 155, 7.6.1988.

While there are no problems concerning the reimbursement of the Community's creditors, in view of the development of the financial instruments connected with the budget guarantee for non-Community countries, it is now essential to improve procedures.

1. <u>Proposal for a reserve for guarantees to be included in the financial perspective</u>

The object would be as follows:

- to take account of the risk in the Financial Perspective;
- to lay down a clear procedure for entering in the budget any amount involved in activation of the guarantee:
- to avoid mobilizing prematurely budgetary funds which could be used more effectively for other purposes.

1.1 <u>A reserve in the Financial Perspective</u>

The reserve would be entered for a given amount in the Financial Perspective under a heading for exceptional expenditure.

In the event of default, the Community's creditors would, as at present, be repaid immediately, if necessary from cash resources.

The budgetary adjustment for any drawing on cash resources would involve mobilizing from the reserve the amount still to be covered after:

- redeployment of a fixed minimum from appropriations available (transfers) and, if necessary
- utilization of the margin available below the ceiling for the corresponding heading in the Financial Perspective (supplementary/amending budget).

Should the amount required for the guarantee exceed the amount of the reserve, the procedure for revising the Financial Perspective would be set in motion.

When non-repayment is certain (rescheduling, total and definitive default, etc.), the budget headings covering guarantees would be allocated the necessary amounts in the initial budget, if necessary by activating the reserve.

1.2 Amount of the reserve

The amount of the reserve could correspond to a fixed percentage each year of the amount due in capital and interest payments as known at the time of the technical adjustment of the Financial Perspective in February of the year in question. What the Commission would have to do would be to earmark for this purpose part of a "reserve for exceptional expenditure" to be inserted in the new Financial Perspective for 1993-97.

The advantage of a reserve calculated in this way is that it would faithfully reflect the maximum risks actually borne by the budget each year.

If this solution were to be envisaged, the figure to be adopted could be modelled on the prudential ratios applied by the leading international financial institutions: EIB, World Bank, EBRD, etc., or that defined in Council Directive 647/89 applicable to financial institutions, which is at 8% of the outstanding capital amount weighted by the nature of the risks.

In order to give a first indication of its size, it is proposed to use, among these ratios, the relationship between the institution's paid-up capital and reserves on the one hand and the amount of loans outstanding on the other, which seems closest to the characteristics of the reserve. It represents the threshold beyond which the subscribed but unpaid capital will in fact have to be called in from the shareholders.

Although this ratio is applied to stocks (reserves which may be used over a number of years and loans outstanding similarly repayable over a number of years), it can be considered a good assessment of immediate risks and be applied to flows.

The ratio ranges from 10.7% for the EIB, 13.4% for the World Bank and 30% for the EBRD. Given the nature of EEC operations, the figure for the EEC could be midway between the EIB and the EBRD figures. The EEC risk covers a wider geographical area than that of the EBRD but involves more operations with a single debtor than is the case of the EIB or the World Bank.

A figure of 20% could therefore be envisaged initially.

On the basis of amounts already disbursed, decided and proposed by the Commission at 31 December 1991, the amount of the reserve for guarantees would vary between ECU 232.8 million in 1993 and ECU 378.2 million in 1999 as shown in the table below.

Amount (situation at 31 December 1991) of a reserve equal to 20% of annual risks involving non-Community countries
(ECU million)

Year	1993	1994	1995	1996	1997	1998	1999
Amount	232.8	272	353	263.8	378.2	333.6	323

It would still be necessary of course to evaluate the potential development of borrowing/lending operations subject to the constraint of maintaining a 20% ratio between the amount of the reserve in the financial perspective and the amounts of repayments due annually. As a guide, and assuming for the sake of simplicity that the structure of amounts outstanding and repayments due remains unchanged, a reserve for guarantees of ECU 600 million by 1997 would make it possible to approximately double the value of borrowing/lending operations for non-member countries.

1.3 Advantages of the reserve mechanism

A reserve of this type would offer the following advantages:

- it would legitimately place a charge on the Community's financial margin of manoeuvre beneath the own resources ceiling;

- it would ensure that due allowance was made for the risks borne by the budget each year, while at the same time allowing new operations to be mounted;

- it would be preferable to the allocation of appropriations to the headings currently carrying token entries, which would have the drawback of highlighting certain States and giving the impression of acceptance of the fact that they will not pay their debts;

- it would not involve premature mobilization of funds but would make it possible to enter the guarantee in the budget without unduly disrupting budget implementation should the guarantee be activated;

- it would considerably reduce the risk of having to resort to the lengthy procedure of revising the Financial Perspective.

2. An alternative to establish a guarantee fund combined with the reserve for guarantees

2.1 Guarantee Fund

The constitution of a Guarantee Fund would make it possible to provide partial cover for the risk ex ante; the reserve mechanism does this ex post.

The Guarantee Fund would have to represent a minimum percentage of the outstanding capital of operations guaranteed by the Community budget. Any new decision (or disbursement) relating to such an operation would automatically entail payment of the corresponding sum to the guarantee fund.

For EIB loans, which are disbursed throughout the year, the payment could be calculated as a fixed amount extending over the period during which the amounts involved are being disbursed. For instance, for the loans to Poland and Hungary totalling ECU 1 000 million over a period of three years, the payment to a 10% Guarantee Fund would be ECU 100 million over three years. Another approach would be to adjust payments on the basis of statements from the EIB of the amount of loans disbursed.

For medium-term financial assistance loans, the payment would have to correspond to the tranches to be disbursed during the year.

Two solutions would be possible for existing operations:

(a) The Fund could be constituted over a number of years by means of annual allocations drawing on the margin of the reserve.

(b) A higher percentage could be paid in respect of the initial operations. For instance if the Fund is to be 10% of the amount outstanding, the levy on initial operations would be 20%.

The amounts in the Fund would be invested and the financial yield added to the fund's capital.

2.2 Amount of the Guarantee Fund: in principle **10%**

The Guarantee Fund could in principle be 10% of the amount of loans outstanding, on the pattern of what is practised by financial institutions concerning the relationship between paid-up capital and loans outstanding (e.g. EIB: 7.9% at 31 December 1990; Wolrd Bank: 10% at 30 June 1990). We could use the figure fixed in the directive of the Council on solvency ratio of the firms of credit which recommends a minimal ratio of 8% with the outstanding amounts of the loans weighted by the nature of the risks.

2.3 Coordination with the Reserve

The Guarantee Fund would work in conjunction with a reserve of the same nature in the Financial Perspective. The amount of the reserve could be smaller than in the first proposal and could in fact be fixed.

The Guarantee Fund would be drawn on ahead of the Reserve.

The two instruments would work together as follows: the Reserve would be drawn on for any increases to match the growth in amounts outstanding or to replenish the Guarantee Fund if it were exhausted.

The fixed amount of the Reserve associated with the Guarantee Fund could be ECU 300 million. Half could be used in the first years of the period 1993-97 to constitute the initial Guarantee Fund.

2.4 Legislative requirements

The creation of a Guarantee Fund would require the insertion of appropriate clauses in the Financial Regulation. There is at present no fund in the Community's financial system which stores resources for some uncertain future expenditure. If such an instrument were to be set up, the conditions for the management of the amount paid to the fund and the rules for transferring from the fund to the budget the amounts required in the event of activation of the guarantee would have to be adopted.

2.5 Assessment

The advantage of a Guarantee Fund is that it would then no longer be necessary to make transfers, with the attendant disruption of budget implementation, if the guarantee were activated; it would also make it possible to reduce the amount of the Reserve for Guarantees in the Financial Perspective.

However, to constitute the reserve, financial resources would have to be called in ahead of needs and, what is more, unnecessarily if the guarantee were not in fact activated. Special mechanisms (investment of the amount in the Guarantee Fund) would also have to be set up, in addition to the necessary changes to legislation.

Also, it is to be noted that the mechanism of a Guarantee Fund is better adapted to the situation of financial establishments with its own balance sheet, than to an institution with a budget. No Member State, for example, uses a Guarantee fund in this way in its budget.

In addition, a Guarantee Fund would only be a partial solution, because the intervention of the Fund would be limited by its size, requiring thus use of the Reserve if it were exhausted.

III. CONCLUSIONS

In view of the new situation as regards borrowing/lending operations and the granting of guarantees for non-member countries, the Commission considers that greater transparency in this field - an essential condition for taking well-founded political decisions - could be achieved by action on three fronts:

1. A better substantiated and more explicit assessment by the budgetary authority of the risks arising from borrowing/lending operations and existing and planned guarantees, and the management of operations.

   This assessment, based on improved budget documents, would be conducted during the budgetary procedure.

2. Closer monitoring of risks

   Twice a year, the Commission will present an assessment report on the situation as regards guarantees from the Community budget, incorporating and supplementing the information supplied to the budgetary authority in the budget documents.

   In this way, there would be virtually continuous monitoring of the situation as regards guarantees.

3. More effective procedures for entering in the budget amounts connected with any activation of the guarantee

   The guarantee now offered to the Community's creditors is entirely satisfactory.

   However, a reserve - forming part of the reserve for exceptional expenditure to be inserted in the Financial Perspective for 1993-97 - would make for more transparency as regards risks, eliminate delays arising from any need to revise the Financial Perspective and reduce the risk of disrupting budgetary execution.

   The possibility of a Guarantee Fund mechanism, backed by a Reserve for Guarantees of a fixed amount, could also be considered. However, the Commission feels that this is not advisable for reasons of cost-effectiveness as it would lead to budgetary resources being mobilized prematurely.

These considerations on the budgetary treatment of borrowing and lending operations should be seen as one part of the Commission's efforts to improve the general framework of these operations.

Thus, the Commission also intends shortly to propose a proposal framework Decision announced in the document COM (92) 2000. This framework Decision should set strict eligibility and conditionality criteria for medium-term financial assistance to third countries.

In conclusion, the Commission:

1. provided there is a consensus on the principle between the Community institutions in the Interinstitutional Agreement, will present a proposal for the amendment of the Financial Regulation

   - amending, as indicated in Annex I, the presentation of the budget documents and incorporating all provisions relating to borrowing/lending operations in an additional title containing specific provisions;

   - stipulating that, when adopting the budget, the budgetary authority will make an assessment of the conditions of implementation of the borrowing/lending operations;

2. will present a six-monthly report on guarantees by the end of February and by the end of October each year;

3. will present, as part of the renewal of the Interinstitutional Agreement, a proposal to establish a Reserve for Guarantees forming part of the reserve for exceptional expenditure in the Financial Perspective 1993-97;

4. will present a proposal to amend the financial rules so that a Guarantee Fund, backed up by a Reserve for Guarantees, can be set up if the budget authority, after assessing the cost and the complexity of implementation, decides that such a fund is necessary.

ANNEX I

GENERAL BUDGET
OF THE EUROPEAN COMMUNITIES
FOR THE FINANCIAL YEAR ....
and
BORROWING AND LENDING OPERATIONS

CONTENTS

MAXIMUM ANNUAL RISKS FOR THE COMMUNITY BUDGET
(Estimation in ECU millions based on all operations - disbursements, decisions and Commission proposals)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	TOTAL
MEMBER STATES										
CAPITAL										
A. Balance of payments										
1. France	30									30
2. Greece I	210	635	633	200						1678
3. Greece II 1						500	600	500	600	2200
B. Structural loans										
4. Euratom and NCI	762	1063	1465	740	530	443	1048	171	52	6238
5. EIB/Mediterranean, Old protocols, Spain, Greece, Portugal	108	103	97	83	76	70	69	53	48	707
Capital sub-total	1074	1801	2195	1023	606	1013	1717	724	700	10853
INTEREST										
A. Balance of payments										
1. France	3									3
2. Greece I	115	89	202	15						421
3. Greece II 1		125	185	215	215	215	166	106	60	1287
B. Structural loans										
4. Euratom and NCI	568	481	393	257	194	150	112	25	10	2190
5. EIB/Mediterranean - Old protocols, Spain, Greece Portugal	75	65	55	47	39	32	26	20	15	374
Interest sub-total	761	760	835	534	448	397	304	151	85	4275
MEMBER STATES - TOTAL	1835	2561	3030	1557	1054	1410	2021	875	785	15128
NON-MEMBER COUNTRIES										
CAPITAL										
A. Financial Assistance										
6. Hungary I					350	260	260			870
7. Hungary II								100	80	180
8. CSFR							190	185		375
9. Bulgaria								150	140	290
10. Romania								185	190	375
11. Israel							160			160
12. Algeria							250		150	400
B. Guarantees										
13. EIB/Mediterranean	81	92	99	113	119	124	189	267	307	1391
14. EIB/Eastern Europe					7	22	43	68	94	234
C. Aid CIS										
15. Guarantee 500m				136	136	136				408
16. B/L 1.250m			416	416	418					1250
Capital sub-total	81	92	515	665	1030	542	1092	955	961	5933
INTEREST										
A. Financial Assistance										
6. Hungary I	37	63	89	89	89	52	26			445
7. Hungary II		10	18	18	18	18	18	18	8	126
8. CSFR		19	38	38	38	38	38	19		228
9. Bulgaria		15	29	29	29	29	29	29	14	203
10. Romania		10	38	38	38	38	38	38	19	257
11. Israel		8	16	16	16	16	16			88
12. Algeria		25	40	40	40	40	40	15	15	255
B. Guarantees										
13. EIB/Mediterranean	107	130	133	148	177	220	264	301	325	1805
14. EIB/Eastern Europe		11	30	54	84	113	135	146	147	720
C. Aid CIS										
15. Guarantee 500m		20	41	31						92
16. B/L 1.250m		25	117	76	34					252
Interest sub-total	144	336	589	577	563	564	604	566	528	4471
NON-MEMBER COUNTRIES - TOTAL	225	428	1104	1242	1593	1106	1696	1521	1489	10404
GRAND TOTAL	2060	2989	4134	2799	2647	2516	3717	2396	2274	25532
(of which Eastern Europe)	37	173	816	925	1241	706	777	938	692	6305
(of which other non-member countries)	188	255	288	317	352	400	919	583	797	4099