



BEI | EIB

Den Europæiske Investeringsbank
Europäische Investitionsbank
Ευρωπαϊκή Τράπεζα Επενδύσεων
European Investment Bank
Banco Europeo de Inversiones
Banque européenne d'investissement
Banca europea per gli investimenti
Europese Investeringsbank
Banco Europeu de Investimento

Mr Pierre BEREGOVY
President
Council of the European Communities

The President

BRUSSELS

ENGLISH VERSION

Luxembourg, 6 December 1989

Dear Sir,

In reply to your letter of 10 October 1989 I hereby inform you that the Board of Governors of the European Investment Bank unanimously decided on 29 November 1989 to authorise the Bank to grant loans from its own resources for the financing of investment projects in Hungary and Poland up to a total amount of 1 000 million ecus.

This authorisation is given on condition that the Community gives its unconditional, on-demand guarantee to the Bank in respect of the payment of all amounts due under any loan in Hungary and Poland.

A copy of the text of the decision is annexed to this letter.

I intend to write to the Prime Ministers of Hungary and Poland to inform them of the decision taken by the Board of Governors and to indicate to them that the Bank wishes to enter into contact with the appropriate authorities as soon as possible to ensure a rapid start to its operations.

Yours sincerely,

(signed)

Ernst-Günther Bröder

Annex

BOARD OF GOVERNORS

BANK OPERATIONS IN POLAND AND HUNGARY

Decision

THE BOARD OF GOVERNORS :

WHEREAS the General Affairs Council of the European Communities on 3 October 1989 welcomed the general approach of the plan of action proposed by the Commission for European Community assistance to Poland and Hungary in support of the efforts of these countries to bring about political and economic reforms ;

WHEREAS, as part of that plan of action, the Eco/Fin Council of the Communities decided on 9 October 1989 to invite the Bank to make loan finance available to Poland and Hungary for the financing of investment projects which satisfy the Bank's normal criteria for lending from its own resources, such loans to be fully guaranteed by the general budget of the European Communities ;

WHEREAS the Commission has set in motion the procedures for the granting of such a guarantee :

HEREBY UNANIMOUSLY DECIDES, on a proposal from the Board of Directors in accordance with Article 18, paragraph 1, second sub-paragraph of the Statute :

1. The Bank shall be authorised to grant loans from its own resources for investment projects in Poland and Hungary for a total amount of up to 1 000 million Ecus, on the following conditions :

- 1.1. that the loans granted by the Bank shall be fully guaranteed by the general budget of the European Communities on the terms laid down in the Eco/Fin Council decision of 9 October 1989
- 1.2. that the loans shall be granted to finance investment projects satisfying the Bank's normal criteria for lending from its own resources
- 1.3. that Member States enable the Bank to have access to their national capital markets to raise the necessary resources.

2. The text of this decision shall be communicated by the President of the Bank to the President of the Council of the Communities in reply to his letter of 10 October 1989.

Luxembourg, 29 November 1989