

The Formentera Council has wiped clean the last of its debts with banking establishments, a development which means—in the words of the administration's economy councillor Bartomeu Escandell—: “that the Council will cease to pay interest and instead focus the totality of its resources on services and investments for the local population.” According to Councillor Escandell, the situation is clear proof of the economic viability of the CiF ('*Consell insular de Formentera* '), an institution which is simultaneously ajuntament and consell.

This morning a payment of €613,301 was made to BBVA, which left the Council in a state of zero debt. Last year, on 3 June 2014, the Council paid off a loan it held with La Caixa bank.

The Council's debt reached its most critical point on 21 December 2012 when an outstanding sum of €11.5 million meant the administration was making yearly interest payments of €500,000. That situation was the result of, on the one hand, the debt that the Govern Balear held with the Formentera Council (at the time €18 million) and on the other, the fact that the national administration was obliging the Council to use ICO-PYME loans to repay its debtors.

Formentera is now seven years ahead of the timeline set by the central government, which calls for local governing entities to reach zero debt by 2022.