COUNCIL DECISION

of 12 February 1990

granting a Community guarantee to the European Investment Bank against losses under loans for projects in Hungary and Poland

(90/62/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Whereas the peoples of Hungary and Poland (hereinafter referred to as 'the two countries') have close historic relationships with the peoples of the Community; whereas these relations have been strengthened by the recent trade and cooperation agreements; whereas these two countries are undertaking major political and social reforms;

Whereas the two countries have embarked upon a fundamental economic reform;

Whereas these economic reforms will significantly contribute to a strong development of mutually beneficial economic and commercial relationships between the two countries and the Community; whereas these intensified relationships will therefore promote throughout the Community a harmonious development of economic activities;

Whereas there is a great need for capital investment in the two countries; whereas this capital investment requires external finance; whereas the Community as well as 12 other countries have agreed to cooperate with a view to aiding the two countries; whereas the European Investment Bank (hereinafter called 'the Bank') could make an important contribution;

Whereas the Council has invited the Bank, and the Bank has agreed, to make loans for capital investment projects carried out in the two countries under the guarantee provided in this Decision;

Whereas the Bank and the Commission should fix the terms on which this guarantee is to be given,

HAS DECIDED AS FOLLOWS:

Sole Article

The Community shall fully guarantee the European Investment Bank in case the Bank does not receive the payments due under any loan in Hungary and Poland.

To this end, the Bank and the Commission shall fix the terms on which the guarantee shall be given.

Done at Brussels, 12 February 1990.

For the Council

The President

A. REYNOLDS

(1) OJ No C 283, 9. 11. 1989, p. 10.
(2) OJ No C 15, 22. 1. 1990.