II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 13 December 1993

granting a Community guarantee to the European Investment Bank against losses under loans for projects in central and eastern European countries (Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Bulgaria, Estonia, Latvia, Lithuania and Albania)

(93/696/EC)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European 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 central and eastern Europe have close ties and share a common destiny with the peoples of the Community; whereas these ties have been strengthened by the trade and cooperation agreements signed for an indefinite period;

Whereas these countries (Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Bulgaria, Estonia, Latvia, Lithuania and Albania) are undertaking major political and social reforms and have embarked on a fundamental restructuring of their economies; whereas the Ministers of the Group of 24 (G-24) welcomed this at their meeting on 11 November 1991 and decided to extend G-24 coordinated economic assistance to them;

Whereas these economic reforms will make a decisive contribution to the rapid establishment of mutually beneficial economic and commercial links between these countries and the Community;

Whereas, in particular, there is a great need for capital investment in these countries; whereas this investment requires external finance; whereas the European Investment Bank (hereinafter referred to as 'the Bank') could make an important contribution;

Whereas the Bank is completing an initial three-year loan programme for Poland and Hungary pursuant to Council Decision 90/62/EEC (3) and a two-year programme for the Czech and Slovak Republics, Bulgaria and Romania pursuant to Council Decision 91/252/EEC (4), with encouraging results according to the Bank's report on this first phase; whereas, pursuant to the Europe Agreements signed on 16 December 1991, these programmes should be renewed;

Whereas similar provisions have been approved for the Baltic States; whereas these measures should be extended to include Albania;

Whereas the European Council meeting in Edinburgh on 12 December 1992 called on the Council and the Bank to create a new, temporary lending facility within the Bank to finance infrastructure projects, notably those relating to trans-European networks; whereas these networks may include projects involving central and eastern European countries in so far as such projects are of mutual interest;

Whereas, in future, the Bank's activities in all these countries must be accorded uniform treatment within an overall framework;

(1) OJ No C 160, 12. 6. 1993, p. 8.
(2) OJ No C 315, 22. 11. 1993.
(3) OJ No L 42, 16. 2. 1990, p. 68.
(4) OJ No L 123, 18. 5. 1991, p. 44.

Whereas the Council is calling on the Bank to continue its operations in support of investment projects carried out in those countries by offering it the guarantee provided for in this Decision;

Whereas the Bank and the Commission should fix the terms for granting the guarantee,

HAS DECIDED AS FOLLOWS:

Article 1

1. The Community shall guarantee in full *vis-à-vis* the European Investment Bank any payments not received by it but due under loans granted, in accordance with its usual criteria, in respect of investment projects carried out in the central and eastern European countries (Poland, Hungary, the Czech Republic, the Slovak Republic, Romania, Bulgaria, Estonia, Latvia, Lithuania and Albania).

This guarantee shall be restricted to an overall loan ceiling of ECU 3 000 million over a period of three years beginning on the date this Decision takes effect. If, on expiry of this period, the loans granted by the Bank have not attained the overall amount referred to above, the three-year period shall be automatically extended by six months.

2. The loan guarantee ceiling referred to in the second subparagraph of paragraph 1 shall include the provisions adopted in respect of investments in Estonia, Latvia and Lithuania.

Article 2

The Commission shall inform the European Parliament and the Council every six months of the situation regarding loans signed. To that end, the Bank shall regularly transmit to the Commission the appropriate information.

Article 3

The Commission shall inform the European Parliament and the Council each year of the loan operations and shall at the same time submit an assessment of the operation of the scheme and of coordination between the financial institutions operating in that area.

Article 4

The Bank and the Commission shall fix the terms on which the guarantee is to be given.

Article 5

This Decision shall take effect on the day of its publication in the *Official Journal of the European Communities.*

Done at Brussels, 13 December 1993.

For the Council

The President

Ph. MAYSTADT