II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 1 June 1995

granting a Community guarantee to the European Investment Bank against losses under loans for projects in South Africa

(95/207/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 Council approved on 19 December 1994 a Cooperation Agreement between the European Community and the Republic of South Africa (3) that aims to promote harmonious, balanced and sustainable social and economic development and that commits the Contracting Parties to step up cooperation in all areas within their respective spheres of competence;

Whereas South Africa is undertaking major political, economic and social reforms;

Whereas the European Investment Bank (hereinafter referred to as the 'Bank') is able to grant loans out of its own resources to help implement these reforms;

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

Whereas, in particular, there is a great need for capital investment in this country; whereas this investment requires external finance; whereas the Bank could make an important contribution;

Whereas on 29 October 1993 the European Council decided on a joint action concerning support for the transition towards a democratic and multiracial South Africa;

Whereas on 19 April 1994 the Council adopted a package of immediate measures to be presented to the South African Government emerging from the democratic and multiracial elections of 26 to 28 April 1994;

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

Whereas this guarantee is subject to the conditions set out in Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 establishing a Guarantee Fund for external actions (4);

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

Whereas the Treaty does not provide, for the adoption of this Decision, powers other than those of Article 235,

(1) OJ No C 373, 29. 12. 1994, p. 1.
(2) Opinion delivered on 1 June 1995 (not yet published in the Official Journal).
(3) OJ No L 341, 30. 12. 1994, p. 61.
(4) OJ No L 293, 12. 11. 1994, p. 1.

HAS DECIDED AS FOLLOWS:

Article 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 South Africa.

The guarantee shall be restricted to an overall loan ceiling of ECU 300 million over a period of two 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 two-year period shall be automatically extended by six months.

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 loans operations and shall at the same time submit an assessment of the operations 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 Luxembourg, 1 June 1995.

For the Council

The President

J. GODFRAIN