

~~COMMISSION OF THE EUROPEAN COMMUNITIES~~

COM(81) 451 JAN 27 1982

Brussels, 23 July 1981

Community's interventions by way of  
exception in favour of the regions in Greece affected by the  
earthquake

---

(Communication of the Commission to the Council)

COM(81) 451 final



Communication

1. In December 1980, the European Council decided to give practical expression to the Community's solidarity with the people of the areas struck by the Italian earthquake disaster, and called on the Council of Ministers to adopt, on a proposal from the Commission, the arrangements for exceptional measures of assistance.

In February and March 1981, an earthquake devastated rural and urban areas in Greece. Reconstruction aid is needed on a large scale and the Community must show its solidarity with Greece, which only recently joined the Community.

2. The Commission now proposes that the Council make additional subsidized loans to the stricken areas in Greece, just as it granted exceptional aid to the disaster areas in Italy.

3. Additional loans

The amount of investment needed to restore the economic base of the devastated regions and to reconstruct their economic and social infrastructures is reason enough why the Greek economy should receive a large volume of additional financial resources, with the help of the Community.

As damage to homes constitutes an important part of total damage caused by the earthquake, in agreement with the responsible national authorities, Community aid will go essentially towards reconstructing the social infrastructure.

The Commission considers that additional Community loans of up to 80 million ECU granted on favourable terms would make a significant contribution, given the scale of the problems, and would be in keeping with the Community's present credit standing on international markets.

The additional funds for the devastated areas in Greece will be raised by way of loans floated by the European Economic Community under the New Community Instrument, borrowings under which are guaranteed by the General Budget of the Communities, and by the EIB.

The Commission feels that close consultations with the Greek authorities are needed at all times to ensure that the measures taken by the Greek authorities are deployed in concert with the Community's financial operations, which should, as a result, make a most effective contribution to the relief operation.

#### 4. Interest rebates

The Commission also proposes that interest rebates, to be financed out of the Community Budget, be granted on the interest on these additional loans for Greece.

The Commission submits herewith a draft Council Decision laying down the provisions for implementing the interest rebates.

#### 5. The Commission proposes that the Council:

- demonstrate the Community's solidarity by granting additional loans of up to 80 million ECU to assist the stricken areas in Greece, the loans to be made out of Community funds raised by borrowings under the New Community Instrument and by the European Investment Bank;
- decide that interest rebates on the interest on the additional loans to Greece be financed out of the Community Budget and, to this end, adopt the attached draft Decision.

Draft declaration relating to exceptional Community aid for Greece

to be recorded in the Council minutes

The Council declares that the exceptional aid for the areas in Greece struck by the earthquake of February and March 1981 may be used for the reconstruction of the housing destroyed, since the worst of the damage was done to private dwellings.

## COUNCIL DECISION

on Community aid granted by way of exception for the reconstruction of the regions affected by the Greek earthquakes  
in February and March 1981

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,

Having regard to the opinion of the European Parliament,

Whereas the people of parts of Greece were seriously stricken by earthquakes in February and March 1981 and whereas it is important to mitigate the effects of this disaster on their economic and social situation;

Whereas the areas affected by the earthquakes include the western parts of Athens and Piraeus, the towns of Korinthos, Loutrakio, Megara, Thive, Kiato, Preveza and 140 other localities;

Whereas this situation is entirely out of the ordinary and demands prompt and effective action;

Whereas Council Decision 78/870/EEC of 16 October 1978 empowering the Commission to contract loans for the purpose of promoting investment within the Community<sup>(1)</sup> provides a means of contributing towards this objective;

Whereas it is appropriate to provide that loans granted for this purpose under the New Community Instrument or out of the European Investment Bank's own resources should carry interest rebates chargeable to the Communities' General Budget;

Whereas the European Investment Bank has stated its willingness to cooperate in implementing this Decision;

Whereas the Treaty makes no provision for the specific powers of action required for this purpose,

---

(1) OJ No L 298, 25.10.1978, p. 9.

B

HAS DECIDED AS FOLLOWS:

Article 1

The following paragraphs are hereby added to Article 1 of Decision 78/870/EEC:

"The Commission shall be empowered to contract, by way of sole exception, on behalf of the European Economic Community, loans for the purpose of financing investments for the reconstruction of the means of production and the economic and social infrastructure in the regions affected by the Greek earthquake disaster in February and March 1981.

The amount of the principal of such loans may not exceed the equivalent of 80 million ECU, subject to deduction in respect of any operations of the same nature carried out by the European Investment Bank out of its own resources."

Article 2

Interest rebates on a principal not exceeding the equivalent of 80 million ECU, chargeable to the General Budget of the European Communities, may be granted on loans made either by the European Investment Bank out of its own resources or under the New Community Instrument, as provided for in Article 1 of Decision 78/870/EEC, to support investments carried out in the regions affected by the Greek earthquake disaster in February and March 1981.

Article 3

The Commission shall grant interest rebates each year on the basis of projects submitted by the Greek authorities. The rate of the rebate is hereby fixed at 3% per annum for a maximum period of 12 years.

Article 4

Where the loans are expressed, payable or repayable in the currency of a Member State, they may be concluded only with the agreement of the competent authorities of that State.

Article 5

The financial control and audit of the Commission's accounts shall be carried out in accordance with the provisions of the Treaties and the Financial Regulation applicable to the General Budget of the European Communities.

Article 6

Implementing rules for this Decision shall be adopted by the Commission.

Article 7

The Commission shall each year inform the Council and the European Parliament of operations carried out under this Decision.

Article 8

This Decision shall apply with effect from 1 January 1981.

Done at Brussels,

For the Council

The President.



FICHE FINANCIERE

1. Ligne budgétaire concernée

642. Bonifications d'intérêt liées aux prêts communautaires en faveur de la reconstruction des zones sinistrées par le séisme survenu en Grèce en février/mars 1981.

2. Base juridique

Décision du Conseil du 1981?

3. Description de l'action

3.1 Objectifs de l'action

3.1.1 L'objet général : financer des investissements destinés à la reconstitution des moyens de production et à la reconstruction d'infrastructures économiques et sociales dans les zones sinistrées par le séisme des mois de février/ mars 1981 survenu en Grèce. (Article 1 de la Décision)

3.1.2 L'objectif plus spécifique et la contribution à l'objectif général : favoriser de tels investissements sur la base des projets accordés dans la limite de 80 millions d'Ecus en principal, d'une part par la Banque européenne d'investissements sur ses ressources propres et, d'autre part, au titre du nouvel instrument communautaire, une bonification d'intérêt de 3% par an pour une période maximale de 12 ans (Articles 2 et 3 de la Décision)

3.2 Zones concernées : les parties occidentales d'Athènes et du Pirée, ainsi que 146 autres villes. (considérant de la Décision)

4. Justification de l'action

4.1 Justification du type d'action proposé : la réalisation de l'objectif général peut être facilitée par l'accès à des prêts communautaires assortis de bonifications d'intérêt à la charge du budget général, dans le cadre de la Décision 78/870/CEE du Conseil du 16 octobre 1978, Habilitant la Commission à contracter des emprunts en vue de promouvoir les investissements dans la Communauté.

4.2 Explication de l'intérêt d'une action au niveau communautaire :  
 La solidarité communautaire est particulièrement nécessaire afin d'apporter, aux populations sinistrées de ce nouveau pays membre des secours destinés à atténuer l'incidence de cette catastrophe naturelle sur leur situation économique et sociale.

5. Incidence financière de l'action sur les crédits d'intervention

5.1 Coût total pendant toute la durée envisagée : 22 millions d'Ecu.

5.2 Parts dans le financement : action financée à 100% par le budget communautaire.

5.3 Echancier des crédits nécessaires.

Besoins de Crédits (non dissociés), en millions d'Ecu

1982	1983	1984	1985	1986
2,4	2,4	2,4	2,4	2,4

6. Non applicable.

7. Financement des dépenses d'intervention

Crédits à inscrire dans les budgets futurs.

8. Non applicable.

9. Régime de contrôle prévu

9.1 Quels contrôles seront effectués par le service ordonnateur lui-même ? Examen de chaque demande de prêt d'investissements et prise d'une décision de l'octroi des bonifications d'intérêt pour ces prêts spéciaux.

9.2 Contrôle de l'efficacité économique/sociale de l'action : La Commission est tenue d'informer annuellement le Conseil et l'Assemblée des opérations effectuées (Article 7 de la Décision).

9.3 Réexamen à fond de l'action : Les orientations et critères d'éligibilité pour l'octroi des bonifications d'intérêt seront réexaminés périodiquement, et adaptés à la lumière de l'expérience qui sera acquise par la mise en oeuvre des prêts spéciaux en faveur des zones sinistrées en Grèce.