
EUROPEAN PARLIAMENT

Working Documents

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DOCUMENT 447/78

COMMON POSITION

from the Council of the European Communities

on the proposal from the Commission of the European Communities to the Council for a Regulation on the application of the Financial Protocols concluded with Greece, Turkey and Portugal

0.2.6

PE 56.139

COUNCIL
OF THE
EUROPEAN COMMUNITIES

Brussels, 10 Oct. 1978

THE PRESIDENT

Mr Emilio COLOMBO
President of the
European Parliament
Case Postale 1601
LUXEMBOURG
(Grand Duchy of Luxembourg)

Sir,

At its meeting on 26 September 1978 the Council examined the Commission proposal for a Regulation on the application of the Financial Protocols concluded with Greece, Turkey and Portugal.

At the end of its discussion the Council approved the enclosed common position.
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The Council would be grateful if, after comparing this common position with the Opinion adopted by the European Parliament, you would inform it whether Parliament wishes the conciliation procedure to be applied or whether it is able to agree to adoption of the Regulation in question by the Council without recourse to that procedure.

(sgd.) J. ERTL

EUROPEAN COMMUNITIES

The Council

Brussels, 3 October 1978
(04.10)

S/1611/78 (NG 26)(P 18)(ASS 1)
(NT 23)(FIN 129)

N O T E

Subject: Forwarding to the European Parliament of the common position on the draft Financial Regulation on the application of the Financial Protocols concluded with Greece, Turkey and Portugal

Annexed hereto is the above common position approved by the Council at its meeting on 25 and 26 September 1978. This position is being forwarded to the European Parliament for the purposes of the conciliation procedure, should the European Parliament request that it be initiated.

S/1611 e/78 (NG 26)(P 18)(ASS 1) dor/JF/ke
EEC

[Draft]
FINANCIAL REGULATION
OF

on the application of the Financial Protocols
concluded with Greece, Turkey and Portugal

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community, and in particular Article 209 thereof,

Having regard to the Regulations concerning the conclusion of the
Financial Protocols with Greece, Turkey and Portugal, hereinafter
referred to as the "Protocols",

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament ⁽¹⁾,

Having regard to the Opinion of the Court of Auditors,

⁽¹⁾ OJ No C 131, 5.6.1978, p. 78

Whereas the Protocols fixed the aggregate amount of Community aid to those countries at 280, 310 and 230 million European units of account respectively, comprising 230 million European units of account in the form of loans on special terms, 75 million European units of account in the form of grants and 515 million European units of account in the form of loans granted by the European Investment Bank, hereinafter referred to as "the Bank", from its own resources;

Whereas these Protocols contain characteristics peculiar to each case; whereas, however, common implementing rules should be established;

Whereas detailed rules for the administration of aid not covered by the Bank's own resources must be laid down;

Whereas the rules for the management of technical and financial co-operation should be determined, the procedure for examining and approving aid established and the detailed rules for supervising the use of that aid defined;

Whereas a Committee of representatives of the Governments of the Member States should be set up under the auspices of the Commission for operations directly administered by the Commission;

Whereas it should be stipulated that applications for the financing of operations not covered by the Bank's own resources should be submitted for opinion to a Committee of representatives of the Governments of the Member States and to the Commission;

Whereas the work done by the Commission and the Bank to apply the Protocols should be harmonized,

HAS ADOPTED THIS FINANCIAL REGULATION:

Article 1

1. The appropriations for the financing of aid not covered by the Bank's own resources shall be administered by the Commission, in accordance with the Financial Regulation applicable to the general budget of the European Communities, subject in particular to Articles 7 to 10 of the present Financial Regulation and without prejudice to the Bank's powers in administering certain forms of aid.
2. However, the Commission shall adopt detailed administrative rules, having particular regard to the appointment of financial implementing bodies and conditions guaranteeing equal competition, to the extent that such rules are necessary for the purpose of implementing the Protocols.

Article 2

1. A general mandate shall be given to the Bank by the Commission, on behalf of the Community, to administer the interest-rate subsidies for loans from its own resources in Greece and Portugal, and to administer special loans in Greece and Turkey.
2. The Commission shall itself directly administer the grants provided for in Article 2(6) of the Protocol with Greece for the purposes of technical co-operation schemes or projects.

3. The mandate given to the Bank in accordance with paragraph 1, and in particular the provisions concerning movements of funds and the remuneration for executing the mandate, shall be the subject of an agreement between the Commission and the Bank after consultation of the representatives of the Member States. This agreement shall include the provisions set out in Articles 7 to 10.

Operations covered by the mandate established pursuant to paragraph 1 which relate to special loans shall be undertaken by the Bank on behalf and at the risk of the Community. The Bank shall act in accordance with the procedures laid down by its Statute and the detailed rules of the agreement referred to in the previous subparagraph.

Article 3

A periodic exchange of views shall be held on the implementation of financial co-operation with Greece, Turkey and Portugal in the Committee provided for in Article 7. These exchanges of views shall relate in particular to the information obtained by the Bank from the countries concerned, regarding the financing sought, and to operations which the Bank intends to submit for an opinion in accordance with Articles 7 to 10.

A periodic exchange of views shall be held on the technical co-operation projects referred to in Article 2(6) of the Financial Protocol with Greece in the Committee provided for in Article 4. These exchanges of views shall relate in particular to the information obtained by the Commission from Greece regarding the financing sought and to operations which the Commission intends to submit for an opinion in accordance with Article 6.

Article 4

1. A Committee, hereinafter referred to as the "Article 4 Committee", consisting of representatives of the Governments of the Member States, shall be set up under the auspices of the Commission.

The Article 4 Committee shall be chaired by a representative of the Commission; its secretarial services shall be provided by the Commission.

A representative of the Bank shall attend its meetings.

2. The Council, acting unanimously on a proposal from the Commission, shall adopt the rules of procedure of the Article 4 Committee.
3. Within the Article 4 Committee, the votes of the Member States shall be weighted in accordance with Article 148(2) of the Treaty.
4. The Article 4 Committee shall act by a majority of forty-one votes.

Article 5

1. The Article 4 Committee shall give its opinion on draft financing decisions for technical co-operation projects or schemes in Greece submitted to it by the Commission.
2. The assessment by the Article 4 Committee shall relate inter alia to the conformity of the projects with the objectives of technical co-operation laid down in the Protocol with Greece.

Article 6

The draft financing decisions referred to in Article 5, together with the opinion of the Article 4 Committee, shall be submitted to the Commission for its decision.

If the Commission decides to differ from the opinion expressed by the Committee, or if the Committee has not delivered a favourable opinion, it shall either withdraw the financing proposal or, at the earliest opportunity, refer the proposal to the Council, which shall decide on it by the majority referred to in Article 4(3) ⁽¹⁾.

Article 7

1. A committee consisting of representatives of the Governments of the Member States, hereinafter referred to as the "Article 7 Committee", shall be set up under the auspices of the Bank.

The Article 7 Committee shall be chaired by the representative of the Government of the Member State currently chairing the Board of Governors of the Bank; its secretarial services shall be provided by the Bank.

A representative of the Commission shall attend its meetings.

2. The Council, acting unanimously, shall adopt the rules of procedure of the Article 7 Committee.

3. Within the Article 7 Committee, the votes of the Member States shall be weighted in accordance with Article 148(2) of the Treaty.

⁽¹⁾ Reservation by the Commission which is upholding its proposal reading as follows:

"The Commission shall adopt decisions which shall apply immediately. However, if the Committee has not delivered a favourable opinion, these decisions shall forthwith be communicated by the Commission to the Council. In that event the Commission shall defer application of the decisions which it has adopted for not more than two months from the date of such communication.

The Council acting by a qualified majority, may take a different decision within two months."

4. The Article 7 Committee shall act by a majority of forty-one votes.

Article 8

Applications for loans with an interest rate subsidy or special loans submitted by the Greek, Turkish or Portuguese Government, or on which one of such Governments has expressed a favourable opinion, shall be transmitted by the Bank to the Members of the Article 7 Committee and to the Commission, accompanied by any relevant comments.

An application for a loan shall be considered acceptable if the Bank does not receive - within two months from the date of transmission of the application - any request for consultation of the Article 7 Committee from a member of the Article 7 Committee or from the Commission.

If such a request is received, the Article 7 Committee shall examine whether the loan application is acceptable.

Article 9

1. Once the acceptability of loan applications dealt with by the Bank has been examined, as provided for in the third paragraph of Article 8, the Article 7 Committee shall give its opinion.

The Commission representative shall state the Commission's position on such applications.

The Commission's position shall cover inter alia the conformity of the applications with the objectives of financial and technical co-operation laid down in the Protocols.

2. In addition, the Article 7 Committee shall be informed by the Bank of any loans without interest-rate subsidies that it intends to grant from its own resources.

Article 10

1. The document in which the Bank submits loan applications to the Article 7 Committee shall, in particular, explain the relevance of the project to the development prospects of the country or countries concerned and, where appropriate, indicate the situation as regards loans granted by the Community.
2. Where, in respect of an application for a special loan, the procedure provided for in Article 8 results either in tacit agreement or in a favourable opinion from the Article 7 Committee and a favourable position on the part of the Commission, the application shall be submitted for a decision to the Board of Directors of the Bank, which shall act in accordance with the Bank's Statute.

In the absence of a favourable opinion from the Article 7 Committee or in the event of an unfavourable position on the part of the Commission, the Bank shall either withdraw the project or request the Member State currently chairing the Article 7 Committee to refer the matter to the Council at the earliest opportunity.

3. Where in the absence of a favourable opinion from the Article 7 Committee or where in the event of an unfavourable position on the part of the Commission the matter is brought before the Council in accordance with paragraph 2, second subparagraph, the Bank's application shall be submitted to the Council together with the reasoned opinion of the Article 7 Committee or the statement of the Commission's position.

The Council shall take its decision as laid down in Article 4(3).

If the Council decides to confirm the position taken by the Article 7 Committee or by the Commission, the Bank shall withdraw its proposal.

If, however, the Council is in agreement with the Bank's proposal, the Bank shall implement the procedures under its Statute.

4. The Commission and the Bank shall make a joint selection of the branches of activity likely to benefit from a loan with an interest-rate subsidy.

Where, in respect of an application for a loan with an interest-rate subsidy, the procedure provided for in Article 8 results in either tacit agreement or a favourable opinion from the Article 7 Committee, the application shall be submitted for a decision to the Board of Directors of the Bank, which shall act in accordance with the Bank's Statute.

In the absence of a favourable opinion from the Article 7 Committee the Bank shall either withdraw the application or decide to uphold it. In the latter case, the application, together with the reasoned opinion of the Article 7 Committee, shall be submitted for a decision to the Board of Directors of the Bank, which shall act in accordance with the Bank's Statute.

Article 11

1. The Commission shall ascertain from the Bank that the mandate laid down in Article 2 is carried out.
2. It shall also ascertain how grants which it administers directly are used by the recipients.

3. The Commission shall inform the European Parliament and the Council at their request, and at least once a year, of its findings pursuant to paragraphs 1 and 2.

Article 12

This Financial Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Communities.

This Financial Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,
For the Council
The President
