

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(83) 85 final

Brussels, 24 February 1983

Proposal for a
COUNCIL DECISION

implementing Decision empowering
the Commission to borrow under the New Community
Instrument for the purpose of promoting investment
within the Community

(submitted by the Commission to the Council)

COM(83) 85 final

Explanatory memorandum

On 7 February 1983, the Council accepted the principle of continuing activity for the New Community Instrument; it defined a set of joint guidelines to be communicated to Parliament under the conciliation procedure.

Demand for NCI loans to finance eligible investment has been brisk : contracts signed under the tranche authorised last April now amount to almost 600 million ECU, and in view of the projects pending, whether already approved or under consideration, this tranche will very soon be entirely accounted for. The Commission is consequently proposing an implementing Decision, without waiting for the outcome of the conciliation procedure, to make a further tranche available. For it is important to avoid any interruption in the activity of an instrument that has proved its value in supporting investment at a time when investment is of vital importance.

In accordance with the arrangements set out in the joint guidelines, the attached proposal lays down broad criteria for the eligibility of projects to be financed. In view of the economic situation and of the general need to promote investment, and in the light of its past experience, the Commission feels that the first tranche should be available for projects from all the relevant fields of application. However, the Commission would like to concentrate on certain types of investment within these fields, in accordance with the guidelines announced last October in its communication on initiatives for promoting investment⁽¹⁾. The types of investment concerned are :

- (i) in the field of energy, investment to encourage the efficient use of energy, one of the priorities of Community policy;

./. .

(1) COM(82) 641 final of 14 October 1982

(ii) in the field of infrastructures, those associated with the development of productive activities so as to contribute more directly to raising the rate of productive investment; also, in line with the Commission's traditional objectives, those that contribute to regional development or promote the interests of the Community as such;

(iii) in the field of industry and the productive sectors, investment, mainly by small and medium-sized undertakings, that will contribute directly or indirectly to creating new jobs, and to the dissemination of innovation and new techniques.

In the light of experience, and in view of the present economic situation, the Commission calculates that a tranche of 1 500 million ECU will enable it to make a rapid and significant contribution to promoting investment, in response to the request of the European Council.

COUNCIL DECISION

implementing Decision empowering the
Commission to borrow under the New Community Instrument
for the purpose of promoting investment within the Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic
Community,

Having regard to Council Decision .../.../EEC of
empowering the Commission to borrow under the New Community Instrument
for the purpose of promoting investment within the Community⁽¹⁾, and in
particular Article 2 thereof,

Having regard to the proposal from the Commission⁽²⁾,

Having regard to the opinion of the European Parliament⁽³⁾

Having regard to the opinion of the Economic and Social Committee⁽⁴⁾

Whereas the purpose of the Community's action is to implement investment
projects consistent with the Community's priority objectives in the fields
of energy, infrastructure and investment projects, mainly those of small
and medium-sized undertakings, in industry and the other productive sec-
tors;

Whereas the Community has set itself the objective of stimulating econo-
mic activity and of supporting common policies by Community measures, in
particular by making optimum use of the Community's financial instruments,
which combine in a co-ordinated policy to promote investment and combat
unemployment, the need for such a policy having been stressed by the
European Council in Brussels on 30 March 1982;

(1) OJ

(2) OJ

(3) OJ

(4) OJ

4.

Whereas particular attention should be directed to investment which contributes to the more efficient use of energy and to investment which contributes to the development of infrastructures;

Whereas a greater effort of investment must be made in the productive sectors, and whereas priority in this area is to be given mainly to investment by small and medium-sized undertakings in industry and the other productive sectors, with a view in particular to encouraging the dissemination of innovation and new techniques;

Whereas Community action in those fields will make a special contribution to the achievement of the Community's objectives of reducing regional disparities, raising growth rates, adjusting production structures and permanently solving the employment problem,

HAS DECIDED AS FOLLOWS :

Article 1

An initial tranche of borrowings is hereby authorized for an amount which shall not exceed the equivalent of 1 500 million ECU in principal.

Article 2

The proceeds of the borrowings referred to in Article 1 shall be lent to finance investment projects carried out on Community territory which help attain the Community's priority objectives in the energy and infrastructure sectors, and analogous investment projects, mainly those carried out by small and medium-sized undertakings, in industry and the other productive sectors.

To this end, priority shall be given to financing :

- a) the efficient use of energy, the replacement of oil by other sources of energy in all sectors and infrastructure projects facilitating such replacement;

./.

- b) infrastructure projects which are associated with the development of productive activities, which contribute to regional development or which are of Community interest, including transport, telecommunications and information technology, and the transmission of energy;
- c) investment projects, mainly those of small and medium-sized undertakings, in industry and the other productive sectors, designed in particular to promote the dissemination of innovation and new techniques.

Article 3

The Commission shall decide whether or not projects are eligible in accordance with the following guidelines :

- the provisions of Article 2 in order to meet the Community's principal economic problems;
- the provisions of the Treaty and of secondary legislation, in particular those relating to competition, and Community rules and policies applicable in the fields in question.

Done at

For the Council
The President