

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 19 April 1994

on the provision of Community interest subsidies on loans for small and medium-sized enterprises extended by the European Investment Bank under its temporary lending facility

(94/217/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 Edinburgh European Council invited the European Investment Bank (EIB) to give urgent and sympathetic consideration to the establishment of a new, temporary lending facility of ECU 5 000 million within the EIB, in order to accelerate the financing of infrastructure projects, in particular those connected with trans-European networks; whereas the Board of Governors of the EIB decided to create this facility on 10 February 1993;

Whereas the Copenhagen European Council invited the EIB to increase this facility by ECU 3 000 million and to extend its duration beyond 1994; whereas ECU 1 000 million of this increase will be allocated to strengthening the competitiveness of European small and medium-sized enterprises (the SME facility);

Whereas the Copenhagen European Council also invited the Council to examine how this part of appropriations available for SMEs could benefit from interest rate subsidies up to a maximum of three percentage points over five years, on the understanding that the subsidies would be linked to employment creation and funded within the existing financial perspective; whereas the Brussels European Council on 29 October 1993 called upon the

Council to ensure that an interest rate subsidy mechanism for SMEs was set up in accordance with the guidelines adopted by the Copenhagen European Council and in accordance with the conclusions of the Edinburgh European Council on ensuring value for money on Community operations;

Whereas the present measure would be part of the Community initiative to stimulate economic growth; whereas the Edinburgh European Council recognized the importance of SMEs for creating employment and stimulating growth;

Whereas, on 28 July 1989, the Council adopted Decision 89/490/EEC on the improvement of the business environment and the promotion of enterprises, and in particular small and medium-sized enterprises, in the Community ⁽³⁾; whereas the support programme provided for by that Decision was revised by Decision 91/319/EEC ⁽⁴⁾;

Whereas, in its resolution of 17 June 1992 ⁽⁵⁾, the Council recommended the Commission to develop the action necessary to create a favourable environment for enterprises, in particular SMEs;

Whereas, on 14 June 1993, the Council adopted Decision 93/379/EEC on a multiannual programme of Community measures to intensify the priority areas and to ensure the continuity and consolidation of policy for enterprise, in particular small and medium-sized enterprises, in the Community ⁽⁶⁾;

⁽¹⁾ OJ No C 10, 14. 1. 1994, p. 13.

⁽²⁾ OJ No C 114, 25. 4. 1994.

⁽³⁾ OJ No L 239, 16. 8. 1989, p. 33.

⁽⁴⁾ OJ No L 175, 4. 7. 1991, p. 32.

⁽⁵⁾ OJ No C 178, 15. 7. 1992, p. 8.

⁽⁶⁾ OJ No L 161, 2. 7. 1993, p. 68.

Whereas the facility is to be made available throughout the Community and be implemented as quickly as possible;

Whereas the facility is to be used, where appropriate, in conjunction with other Community financial instruments;

Whereas the EIB has indicated its willingness to participate in the implementation of this Decision;

Whereas the EIB and the Commission will enter into a cooperation agreement on implementation of the facility;

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

HAS DECIDED AS FOLLOWS:

Article 1

The Community shall provide subsidies for the purpose of lowering the interest rate on EIB loans to SMEs in the Community for a total amount of ECU 1 000 million in principal. These loans shall be extended by the EIB under the terms and conditions applying to loans granted under the temporary facility originally established by the Board of Governors of the EIB on 10 February 1993 and extended by the Board on 30 November 1993. The benefit of these subsidies shall be restricted to investment projects involving the creation of employment.

The Community interest subsidies shall be fixed at 200 basis points; they shall be extended to the beneficiaries of the loans for a maximum period of five years.

The EIB's decisions to extend loans benefiting from the abovementioned subsidy shall be taken within 12 months of the date of entry into force of this Decision.

Article 2

The facility shall be administered by the EIB on behalf of the Community, exercising the same diligence as for operations carried out from its own resources.

The detailed arrangements for implementing this Decision shall be laid down in a cooperation agreement between the Commission and the EIB. In particular, that agreement shall stipulate procedures whereby, for each project, the objective of employment creation laid down in Article 1 can be defined and progress in achieving it monitored.

Article 3

Each year the Commission shall send the European Parliament and the Council a report evaluating the implementation of this Decision. In particular, the Commission shall, on the basis of information which the EIB shall make available for the purpose, report on the overall utilization of the SME facility in the Community and its impact on the creation of employment and on interest rates for investments by SMEs covered by the facility. A first report shall be submitted before 30 October 1994.

Done at Luxembourg, 19 April 1994.

For the Council

The President

Th. PANGALOS