II

(Preparatory Acts)

COMMISSION

Proposal for a Council Decision on financing major Community infrastructure projects

COM(86) 722 final

(Submitted by the Commission to the Council on 23 December 1986)

(87/C 80/14)

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,

Having regard to the opinion of the Economic and Social Committee,

Whereas large-scale infrastructure projects are a powerful factor for integration and help to unify the internal market, thereby making European industry more competitive;

Whereas the emergence and launching of such projects encounter a variety of obstacles, including financial obstacles, that stem from their characteristics and from the different types of risk associated with them;

Whereas their financing will, from now on, have to rely more than in the past on private capital, which is not necessarily attracted by this type of project;

Whereas the interest and European dimension of such projects justify assistance being provided by the Community;

Whereas the purpose of such assistance must be to mobilize private capital and channel it towards large-scale projects of European interest;

Whereas specific Community action is, therefore, needed to promote the emergence and financial launching of infrastructure projects of European interest;

Whereas the European Investment Bank has stated its willingness to participate in such action,

HAS DECIDED AS FOLLOWS:

Article 1

Provision shall be made for Community action to assist large-scale infrastructure projects of European interest located in whole or in part in the Community. The purpose of such action shall be to facilitate the emergence and launching of such projects by mobilizing new sources of capital and channelling the proceeds towards them.

Article 2

1. Large-scale infrastructure projects of European interest shall aim either to provide a link which does not exist, to offer substantially improved services or to provide new services.

2. They may concern various sectors of activity, focusing primarily on transport, telecommunications, energy and the environment.

3. The projects and their implementation shall comply with the provisions of the Treaty and of secondary legislation, notably in competition matters, and with Community rules and policies applicable in the fields concerned.

Article 3

In order to facilitate the emergence and launching of large-scale infrastucture projects of European interest, the following means of financing may be drawn on:

— specific budgetary resources,

— resources available under Community policies and measures whose objectives the projects are designed to achieve,

— specific loans from the own resources of the European Investment Bank (EIB) and, should the need arise, from resources raised by the European Economic Community (EEC) on capital markets.

Article 4

1. The preparatory work and studies necessary to demonstrate the technical, financial and economic viability of projets may qualify for a contribution from the Community in the form of a grant or repayable advance.

2. Such expenditure shall be financed under Article 581 of the budget in the case of transport infrastructure and under Article 709 in the case of energy infrastructure. In other cases, it shall be financed under a specific budget heading (Article 798) entitled 'Preparatory studies and measures in connection with large-scale European infrastructure projects' in the chapter relating to financial engineering operations. An amount of differentiated appropriations shall be entered under the specific budget heading in the annual budget procedure.

Article 5

1. The large-scale projects referred to in Article 2 may be declared to be of European Interest. In order to have such a declaration conferred on them, the projects shall be submitted to the Commission either directly or through the intermediary of a Member State.

Such projects must draw to a large extent on private savings and comply with the objectives and criteria laid down by the Community programmes relating to the sectors to which they belong. The Commission shall:

— determine whether or not they comply with this Decision;

— identify the advantages they bring in the light of not only technical and financial but also socio-economic criteria. Account shall be taken among other things of the impact the projects have on Community competitiveness and of their effects, including in terms of employment and incomes, on the countries and regions most directly concerned.

2. The declaration of European interest shall be made by the Commission after agreement has been reached with the Member States directly concerned by the projects. The Commission shall inform the Council and Parliament thereof.

However, in the case of projects relating to sectors not covered by Community programmes, the declaration of European interest may be conferred only after agreement by the Council.

The Commission's decision declaring projects to be of European interest shall be published in the *Official Journal of the European Communities.*

3. Large-scale infrastructure projects declared to be of European interest may:

— depending on their nature, be covered by provisions designed to facilitate the raising of private funds, provisions which shall be submitted on a case-by-case basis by the Commission to the Council, after consulting the Economic Policy Committee;

— receive a grant from the Community budget and qualify for specific loans as referred to in Article 3.

Article 6

1. The financial packaging necessary for the start-up of the work involved in projects declared to be of European interest may qualify for Community assistance in the form of repayable advances.

2. In the annual budget procedure, an amount of differentiated appropriations shall be entered under a specific budget heading entitled 'Contribution to large-scale European infrastructure projects' in the chapter relating to financial engineering operations.

3. The repayment date of any repayable advance shall be agreed between the Commission and the beneficiary:

— either when the work is started;

— or on completion of the work;

— or during the operational phase provided a profit-sharing clause is included.

Article 7

1. Loans made by the EIB out of its own resources for projects declared to be of European interest may be covered by a guarantee under the Community budget.

The budget guarantee may be granted in respect of EIB loans that are not likely to qualify either for a guarantee from the Member State or States involved in the project or for any other adequate guarantees.

2. The guarantee under the Community budget shall be conditional and partial. The Commission shall decide on a case-by-case basis whether to grant it and on the operational arrangements. Its decision shall be laid down in an agreement concluded with the EIB.

3. Decisions to grant guarantees taken by the Commission shall be subject to an overall ceiling fixed at 1 000 million ECU. If necessary, the Council, acting by a qualified majority on a proposal from the Commission and after consulting Parliament, shall raise the ceiling.