# Proposal for a Council Decision amending Decision No 87/182/EEC of 9 March 1987 empowering the Commission to borrow under the New Community Instrument with regard to exceptional Community aid for the reconstruction of the areas stricken by the earthquakes of September 1986 in Greece

*COM(87) 727 final*

*(Submitted by the Commission to the Council on 23 December 1987)*

(88/C 20/07)

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 population of certain areas of Greece have been gravely affected by the earthquakes of September 1986, with a consequent need to help to offset the effects of this disaster on their economic and social well-being;

Whereas the areas stricken by these earthquakes extend over the town of Kalamata and its surroundings in the nomos of Messinia;

Whereas steps should be taken to deal quickly and efficiently with this quite exceptional situation;

Whereas Council Decision No 87/182/EEC of 9 March 1987 empowering the Commission to borrow for the promotion of investment in the Community [1] provides a means, subject to the amendments made by the present decision, of helping to attain this objective;

Whereas an interest subsidy should be provided on loans granted for this purpose whether under the New Community Instrument or made from the European Investment Bank's own resources;

Whereas the European Investment Bank has agreed to cooperate in carrying out this Decision;

Whereas the Treaty does not provide the requisite specific powers;

HAS DECIDED AS FOLLOWS:

*Article 1*

The following paragraphs shall be added to Article 1 of Decision No 87/182/EEC:

'In addition, the Commission shall exceptionally be empowered to borrow, on behalf of the European Economic Community, in order to finance investment projects for the reconstruction of the means of production and of the economic and social infrastructure, including housing, in the areas devastated by the earthquakes of September 1986 in Greece. Article 2, Article 3 (1) and Article 4 shall not apply to the loans so granted.

The amount of these exceptional borrowing powers shall be such as to permit the granting of loans up to the equivalent of a capital value of 100 million ECU in all, this figure to be reduced by the value of any loans made for the same purpose by the European Investment Bank out of its own resources.'

*Article 2*

The following paragraphs shall be added to Article 5 of Decision No 87/182/EEC:

'The ultimate recipients of the loans granted up to a combined capital value of 100 million ECU, under the New Community Instrument by virtue of Article 1 and by the European Investment Bank out of its own resources, for investment projects carried out in the areas devastated by the earthquakes of September 1986 in Greece, shall be entitled to an interest subsidy chargeable to the General Budget of the European Communities.

On the basis of projects put forward by the Greek authorities, the Commission shall grant this subsidy at a rate of three percentage points per annum for up to 12 years.'

*Article 3*

This decision shall take effect from 1 January 1988.

[1] OJ No L 71, 14. 3. 1987.