



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 11.07.1995
COM(95) 329 final

94/ 0258 (CNS)

Amended proposal for a

COUNCIL DECISION

relating to exceptional Community aid for the reconstruction of the
areas stricken by the cyclone that hit Madeira in October 1993

(presented by the Commission pursuant to Article 189 a (2)
of the EC-Treaty)

EXPLANATORY MEMORANDUM

On 7 April 1995, the European Parliament adopted an opinion on the proposal for a Council Decision relating to exceptional Community aid for the reconstruction of the areas stricken by the cyclone that hit Madeira in October 1993.

Three amendments to the Commission's original proposal were adopted on that occasion. The Commission agreed to incorporate all the amendments as they do not alter the intent of the original proposal. The changes are summarised below.

Article 1 (EP Amendment 1)

This amendment is partly of editorial nature. Additionally, it specifies the period in which the projects are to be carried out (1993-1997) as well as the nature of the projects (infrastructure work, preventative work and restoration of basic living conditions for the inhabitants).

Article 1a (EP Amendment 2)

The addition indicates that the authorities in Portugal should put forward projects "in close co-operation with the regional and local authorities and the social partners".

Article 1b (EP Amendment 3)

The content of this article is new. It calls for a report to be established not later than 31 December 1998 by the Commission in co-operation with the Bank on the implementation and results of the initiative.

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Following the opinion of the European Parliament given on 7 April 1995, the following
modification is introduced in article 1 of the Commission's original proposal (COM(94) 488):

Original proposal

Article 1

The ultimate recipients of the loans, granted by the European Investment Bank out of its own resources, for investment projects carried out in the areas devastated by the cyclone of October 1993 in Madeira, shall be entitled to an interest subsidy chargeable to the general budget of the European Communities, up to the equivalent of a capital value of ECU 15.85 million in all.

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

Modified proposal

Article 1

1. The Community shall grant an interest subsidy chargeable to the general budget of the European Union, at a rate of three percentage points per annum for up to 12 years, on the loans granted by the European Investment Bank out of its own resources with a view to the financing of investment projects carried out in the areas devastated by the cyclone of October 1993 in Madeira.
2. These loans, whose total amount may not exceed the equivalent of a capital value of ECU 15.85 million, shall be granted for the financing of projects carried out between 1993 and 1997 for the reconstruction of the affected areas, including infrastructure work, preventative work and restoration of basic living conditions for the inhabitants.

Article 1a

The loans shall be awarded on the basis of projects put forward by the authorities in Portugal in close co-operation with the regional and local authorities and the social partners and approved by the European Investment Bank.

Article 1b

The Commission, in close co-operation with the European Investment Bank, shall report to the European Parliament and the Council no later than 31 December 1998 on the implementation and results of the financing concerned.

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