COUNCIL DECISION

of 29 June 1995

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

(95/250/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 those living in certain areas of Madeira have been seriously affected by the cyclone of October 1993 ;

Whereas steps should be taken in this quite exceptional situation to offset the consequences of this disaster on the economic and social well-being of the persons affected ;

Whereas the European Investment Bank is able to grant loans out of its own resources to help achieve this objective ;

Whereas an interest subsidy chargeable to the general budget of the European Communities should be provided on these loans ;

Whereas similar measures were adopted following the natural disasters that occurred in Italy (3) and in Greece (4) ;

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

HAS DECIDED AS FOLLOWS :

Article 1

The Community shall provide an interest rate subsidy, chargeable to the budget of the European Communities, of 3 percentage points per annum for a maximum period of twelve years, on some loans granted by the European Investment Bank (EIB) out of its own resources and in accordance with its usual criteria for the financing of investment in the regions devastated by the cyclone that hit Madeira in October 1993.

The total amount of subsidized loans may not exceed the equivalent of ECU 15,85 million in principal. These loans shall be directed to projects carried out between 1993 and 1997, for the reconstruction and reorganization of stricken areas (infrastructure works and secondarily housing).

The loans will be approved by the EIB, on the basis of projects put forward by the Portuguese authorities.

Article 2

The detailed arrangements for implementing this Decision shall be laid down in a cooperation agreement between the Commission and the EIB. In particular, this agreement should set out the detailed rules for the payment of the interest rate subsidies.

Article 3

The Commission will present to the European Parliament and the Council — in close cooperation with the EIB and before 31 December 1998 — a report evaluating the implementation of this Decision, and in particular on the additional effects produced by the interest subsidies.

Article 4

This Decision shall take effect on the date of its adoption.

Done at Luxembourg, 29 June 1995.

For the Council

The President

J. BARROT

(1) OJ No C 345, 7. 12. 1994, p. 4.
(2) OJ No C 109, 1. 5. 1995.
(3) OJ No L 37, 20. 1. 1981, p. 21.
(4) OJ No L 367, 14. 12. 1981, p. 27 ; OJ No L 309, 7. 11. 1988, p. 32.