

Financial Protocol between the EEC and the Portuguese Republic (Brussels, 20 September 1976)

Caption: Financial Protocol between the European Economic Community (EEC) and the Portuguese Republic which was signed on 20 September 1976 and entered into force on 1 November 1978. This Protocol, which aimed to make emergency aid available to Portugal with a view to promoting the accelerated development of its economy, is an integral part of the Agreement of 22 July 1972 between the EEC and the Portuguese Republic.

Source: Official Journal of the European Communities (OJEC). 29.09.1978, No L 274. [s.l.]. "Council Regulation (EEC) No 2237/78 of 26 September 1978 concerning the conclusion of the Financial Protocol and the Additional Protocol to the Agreement between the European Economic Community and the Portuguese Republic", p. 1.

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Financial Protocol between the European Economic Community and the Portuguese Republic (Brussels, 20 September 1976)

HIS MAJESTY THE KING OF THE BELGIANS,
HER MAJESTY THE QUEEN OF DENMARK,
THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY,
THE PRESIDENT OF THE FRENCH REPUBLIC,
THE PRESIDENT OF IRELAND,
THE PRESIDENT OF THE ITALIAN REPUBLIC,
HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG,
HER MAJESTY THE QUEEN OF THE NETHERLANDS,
HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

and

THE COUNCIL OF THE EUROPEAN COMMUNITIES,
of the one part, and

THE PRESIDENT OF THE PORTUGUESE REPUBLIC,
of the other part,

ANXIOUS to pursue the action initiated by the Community to make emergency exceptional aid available to Portugal, with a view to promoting the accelerated development of the Portuguese economy in the context of cooperation between the European Economic Community and Portugal,

HAVE DESIGNATED as their Plenipotentiaries:

HIS MAJESTY THE KING OF THE BELGIANS:
Renaat VAN ELSLANDE,
Minister for Foreign Affairs;

HER MAJESTY THE QUEEN OF DENMARK,
Ivar NØRGAARD,
Minister for External Economic Affairs;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:
Hans-Dietrich GENSCHER,
Federal Minister for Foreign Affairs;

THE PRESIDENT OF THE FRENCH REPUBLIC:
Louis de GIURINGAUD,
Minister for Foreign Affairs;

THE PRESIDENT OF IRELAND:
Garret FITZGERALD,
Minister for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:
Arnaldo FORLANI,
Minister for Foreign Affairs;

HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG:
Jean DONDELINGER,
Ambassador Extraordinary and Plenipotentiary,

Permanent Representative to the European Communities;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:

Max VAN DER STOEL,
President of the Council,
Minister for Foreign Affairs;

HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:

Anthony CROSLAND MP,
Secretary of State for Foreign and Commonwealth Affairs;

THE COUNCIL OF THE EUROPEAN COMMUNITIES:

Max VAN DER STOEL,
President of the Council,
Minister for Foreign Affairs of the Kingdom of the Netherlands;

Francois-Xavier ORTOLI,
President of the Commission of the European Communities;

THE PRESIDENT OF THE PORTUGUESE REPUBLIC:

Jose Medeiros FERREIRA,
Minister for Foreign Affairs;

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

Article 1

The Community shall participate, within the framework of financial cooperation, in the financing of projects designed to contribute to the economic and social development of Portugal.

Article 2

1. For the purposes specified in Article 1 and for a period of five years from the entry into force of this Protocol or from 1 January 1978, whichever is the later, an amount of up to 200 million European units of account (EUA) may be committed in the form of loans from the European Investment Bank, hereinafter called 'the Bank', accorded from its own resources on the terms set out in its Statute.
2. Of the loans referred to in paragraph 1 a maximum amount of 150 million EUA shall attract interest rate subsidies of 3 % per annum, it being understood that the cost to the Community of financing such subsidies must not exceed 30 million EUA.
3. The following shall be eligible for financing: capital projects helping to increase productivity and to diversify the Portuguese economy, and promoting in particular the industrialization of the country and the modernization of its agriculture, that have been submitted to the Bank by the Portuguese State or, with the latter's agreement, by public or private undertakings having their seat or a place of business in Portugal.
4. (a) Examination of the eligibility of the projects and the granting of loans shall be undertaken in accordance with the detailed rules, conditions and procedures laid down by the Bank's Statute.

(b) The conditions governing repayment of each loan shall be established on the basis of the economic and financial characteristics of the project to be financed.

5. Loans shall carry the same rate of interest as that applied by the Bank on the day of signature of the loan agreement. However, loans for the sectors defined below shall have priority claim to the interest rate subsidy of 3 % per annum referred to in paragraph 2:

- loans to Portuguese development agencies for financing small and medium-sized businesses;
- economic infrastructure, including energy;
- agricultural development and the processing of agricultural and fishery products.

This definition of sectors may be amended by mutual agreement between the Community and Portugal.

Article 3

1. The amounts to be committed each year shall be distributed as evenly as possible throughout the period of application of this Protocol.

2. Any funds not committed by the end of the period of five years referred to in Article 2 (1) may be used, until exhausted, in accordance with the same arrangements as provided for in this Protocol.

Article 4

Aid contributed by the Bank for the execution of projects may, with the agreement of Portugal, take the form of co-financing.

Article 5

The execution, management and maintenance of works that are the subject of financing under this Protocol shall be the responsibility of Portugal or the other beneficiaries referred to in Article 2.

The Bank shall ensure that its financial aid is expended in accordance with the agreed allocations and to the best economic advantage.

Article 6

1. Portugal shall apply to contracts awarded for the execution of projects financed by the Bank fiscal and customs arrangements at least as favourable as those applied in respect of other international organizations.

2. Portugal shall take the necessary measures to ensure that interest and all other payments due to the Bank in respect of loans granted under this Protocol are exempted from any national or local taxes or levies.

Article 7

Where a loan is accorded to a beneficiary other than the Portuguese State, the provision of a guarantee by the latter may be required by the Bank as a condition of the grant of the loan.

Article 8

Throughout the duration of the loans accorded pursuant to this Protocol, Portugal shall undertake to make available to debtors enjoying such loans or to guarantors of the loans the foreign currency necessary for the payment of interest and commission and the repayment of principal.

Article 9

The results of financial cooperation may be examined within the Joint Committee referred to in Article 32 of

the Agreement between the European Economic Community and the Portuguese Republic.

Article 10

This Protocol forms an integral part of the Agreement between the European Economic Community and the Portuguese Republic, signed on 22 July 1972.

Article 11

This Protocol is drawn up in two copies in the Danish, Dutch, English, French, German, Italian and Portuguese languages, each of these texts being equally authentic.

Article 12

1. This Protocol shall be subject to ratification, acceptance or approval in accordance with the Contracting Parties' own procedures; the Contracting Parties shall notify each other that the procedures necessary to this end have been completed.

2. This Protocol shall enter into force on the first day of the second month following the date on which the notifications provided for in paragraph 1 have been given.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne Finansprotokol.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Finanzprotokol gesetzt.

In witness whereof, the undersigned Plenipotentiaries have affixed their signatures below this Financial Protocol.

En foi de quoi, les plenipotentiaires soussignés ont apposé leurs signatures au bas du présent protocole financier.

In fede di che, i plenipotenziari sottoscritti hanno apposto le loro firme in calce al presente Protocollo Finanziario.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder dit Financieel Protocol hebben gesteld.

Em fé do que os plenipotenciários assinaram o presente Protocolo Financeiro.

Udfærdiget i Bruxelles, den tyvende September nitten hundrede og seksoghalvfjerds.

Geschehen zu Briissel am zwanzigsten September neunzehnhundertsechundsiebzig.

Done at Brussels on the twentieth day of September in the year one thousand nine hundred and seventy-six.

Fait à Bruxelles, le vingt septembre mil neuf cent soixante-seize.

Fatto a Bruxelles, addì venti settembre millenovecentosettantasei.

Gedaan te Brussel, de twintigste September negentienhonderd zesenzeventig.

Feito em Bruxelas, aos vinte de Setembro de mil novecentos e setenta e seis.

[Signatures]