COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.11.2000
COM(2000)804 final

Proposal for a

COUNCIL DECISION

on the position to be adopted by the Community within the ACP-EC Council of Ministers regarding a decision intended to safeguard, by means of specific financial measures, the continuity of certain activities of the 8th EDF before the entry into force of the ACP-EC Partnership Agreement

(presented by the Commission)

EXPLANATORY MEMORANDUM

Decision No 1/2000 of the ACP-EC Council of Ministers of 27 July 2000[1] laying down transitional measures for the period from 2 August 2000 until the entry into force of the Cotonou Agreement provides for advance application of the Agreement and continued application of some of the provisions of the revised fourth Lomé Convention.

In July, the Commission submitted a proposal on granting financial support to an investment financing scheme for industrial and business development in the ACP countries (COM(2000)420 of 5 July 2000). However, there are a certain number of other activities that are not covered explicitly by the transitional measures, on which the ACP-EC Council must take a decision in order for them to continue.

1. CENTRE FOR THE DEVELOPMENT OF ENTERPRISE (CDE)/ CENTRE FOR THE DEVELOPMENT OF AGRICULTURE (CTA)

The ACP-EC Partnership Agreement signed in Cotonou on 23 June states that the Centre for the Development of Enterprise (CDE) will in the future support the implementation of private sector development strategies in the ACP countries by providing non-financial services to ACP companies and businesses and also support to joint initiatives set up by Community and ACP traders.

The mission of the Centre for the Development of Agriculture (CTA) will be to strengthen policy and develop institutional capacity linked with information and communication systems and also the information and communication management capacities of ACP agricultural and rural development organisations.

The Decision mentioned above on the transitional measures provides for advance application of the provisions of the Agreement concerning the CDE and CTA.

Article 4 of Decision 1/2000 states that all resources and activities of the Centre for the Development of Industry, established by the fourth Lomé Convention, are to be transferred to the CDE. These provisions were not necessary for the CTA, which already existed under the Lomé Convention.

However, the period required for the ratification of the Cotonou Agreement and the Financial Protocol thereto will mean that the funds earmarked for the operation of these institutions under the 9th EDF (€90 million for the CDE and €70 million for the CTA, for the period 2000-05) will not be available in time for 2001.

The CDE will need an overall sum of €22 million to cover the 2001 financial year. The requirements of the CTA for the same financial year are €12 million. In these circumstances and in order to make these financial resources available, it is necessary for the ACP-EC Council of Ministers to authorise the use, in the form of an advance to the 9th EDF, of unallocated grants from the 8th EDF (regional funds).

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[1] OJ L 195, 1.8.2000, p. 46.

2. ADDITIONAL RESOURCES FOR INDICATIVE PROGRAMMES

Articles 281 and 282 of the revised fourth Lomé Convention laid down the principles relating to the establishment of indicative programmes and their revision. In accordance with Article 282, the revision consisted of the total or partial allocation of 30% of the resources notified to the ACP states concerned.

Following this revision, there remains a reserve of unallocated funds of 200-300 million euro. This reserve should be used to finance development co-operation operations, in particular those linked to programmable aid, as set out in article 282.5.

In accordance with the spirit of the Cotonou agreement it is intended to acknowledge the good performance of certain countries and regions with an allocation over and above their initial allocation. The intention is to support programmes which are already at an advanced stage of appraisal and are coherent with the indicative programme of the country or region concerned.

3. ADDITIONAL RESOURCES FOR INTRA-ACP PROJECTS AND PROGRAMMES

Article 164.1d) of the revised fourth Lomé Convention established a basis for actions relating to intra-ACP regional co-operation. Such actions are intended to support the development of all ACP countries, either through support for ACP institutions, or through support in certain thematic areas. Insufficient funds remain allocated to this co-operation to allow the continuation of such activities in 2001.

4. ADDITIONAL RESOURCES FOR AID TO REFUGEES

Although a reserve of €100m was available for aid under Article 255 of the Lomé Convention, which allowed for support to refugees, Article 2d) of the Second Financial Protocol provided that on the expiry of the protocol, save for a decision to the contrary by the Council of Ministers, these funds would revert to the assets of the Fund for the purpose of financing other operations coming within the scope of development finance co-operation. Therefore, provision should be made for the necessary resources to allow these actions to continue up to the entry into force of the 9th EDF.

For all these reasons, the Commission is proposing that the Council adopt the attached decision on the position to be adopted by the Community within the ACP-EC Council of Ministers regarding a decision intended to safeguard, by means of specific financial measures, the continuity of certain activities of the 8th EDF before the entry into force of the ACP-EC Partnership Agreement

Proposal for a

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on the position to be adopted by the Community within the ACP-EC Council of Ministers regarding a decision intended to safeguard, by means of specific financial measures, the continuity of certain activities of the 8th EDF before the entry into force of the ACP-EC Partnership Agreement

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 310 and the second subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission,[2]

Whereas:

(1) Decision no 1/2000 of the ACP-EC Council of Ministers of 27 July 2000 laid down transitional measures for the period from 2 August 2000 until the ratification of the Cotonou Agreement. Article 2 of that decision indicates that provisions of the fourth Lomé convention as revised by the Agreement signed in Mauritius on 4 November 1995, regarding the ACP-EC Council of Ministers' power of decision on the use of unallocated resources from the 6th, 7th and 8th EDFs, remains applicable.

(2) The position of the Community within the ACP-EC Council of Ministers should be set out with a view to the adoption by the latter of a decision intended to safeguard, by means of specific financial measures, the continuity of certain activities of the 8th EDF and to continue co-operation with a number of well-performing countries.

HAS DECIDED AS FOLLOWS:

Article 1

The position taken by the Community within the ACP-EC Council of Ministers on the adoption of specific financial measures to ensure the continuity of the activities of 8th EDF before the entry into force of the ACP-EC Partnership Agreement shall be based on the draft decision of the ACP-EC Council of Ministers attached at annex.

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2 OJ C [...], [...], p. [...].

Article 2

Minor changes to the draft decision may be agreed without any need for a further decision by the Council.

Done at Brussels,

For the Council
The President

ANNEX

Draft

DECISION OF THE ACP-EC COUNCIL OF MINISTERS

on the adoption of specific financial measures to ensure the continuity of certain activities of 8th EDF before the entry into force of the ACP-EC Partnership Agreement

THE ACP-EC COUNCIL OF MINISTERS,

Having regard to the Fourth ACP-EC Convention, as amended by the Agreement signed in Mauritius on 4 November 1995, and in particular Article 282(5) thereof,

Having regard to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000,

Whereas:

(1) By Decision no 1/2000, the ACP-EC Council of Ministers of 27 July 2000 adopted transitional measures for the period from 2 August 2000 until the ratification of the ACP-EC Partnership Agreement, envisaging the anticipated application of certain provisions of the Partnership Agreement as well as the continued application of certain provisions of the fourth Lomé convention as revised by the Agreement signed in Mauritius on 4 November 1995. Article 2 of that decision indicates that provisions of the Lomé Convention, regarding the ACP-EC Council of Ministers' power of decision on the use of unallocated resources from the 6th, 7th and 8th EDFs, remain applicable.

(2) Following the mid-term review of national indicative programmes, carried out in accordance with Article 282 of the Lomé Convention, it is appropriate to allocate supplementary resources to the indicative programmes of certain countries and regions that have performed well in terms of the absorption of credits, and have entirely, or almost entirely, committed their original allocation.

(3) To ensure the continuation of certain activities, particularly those relating to joint ACP-EC institutions, it is appropriate to allocate supplementary resources to intra-ACP regional co-operation.

(4) To ensure that the Community continues to support vulnerable refugees in developing countries, it is appropriate to allocate supplementary resources for actions to aid refugees.

(5) To provide for the continuation of the activities of the Centre for the Development of Enterprise (CDE) and the Centre for the Development of Agriculture (CTA), it is appropriate to allow for the necessary funds to cover the financial requirements of these centres for the 2001 financial year.

HAS DECIDED AS FOLLOWS:

Article 1 – CDE/CTA

1. The following shall be taken from unallocated eighth EDF resources, as an advance to the ninth EDF:

   – a maximum of €22 million to finance the CDE budget in 2001,

   – a maximum of €12 million to finance the CTA budget in 2001.

2. Any unexpended balances from the funds for the CDE and CTA not used for the 2001 financial year shall be automatically carried over to the 2002 financial year.

Article 2 – Supplementary allocations to indicative programmes

125.6 MEURO shall be taken from unallocated eighth EDF resources, to be added to the initial allocations of the 8th EDF indicative programmes of a number of well-performing countries and regions who have entirely or almost entirely committed their original allocations. The criteria for allocation of these resources shall be:

(1) An allocation of 100% of the second instalment as provided for in Article 282.3 of the revised Fourth Lomé Convention.

(2) The existence of projects for which feasibility studies have already been carried out and which are ready to be proposed for financing.

On the basis of these criteria the Commission shall decide the exact allocation per country/region.

Article 3 – Intra-ACP

An amount of 265 million Euro shall be taken from unallocated 8th EDF resources for the use of intra-ACP regional co-operation. Within this amount, 100 million Euro shall be a specific allocation for trade development.

Article 4 – Aid to refugees

An amount of 100 million Euro shall be taken from unallocated 8th EDF resources for actions to aid refugees in accordance with Article 72.3d) and Article 72.4 of the ACP-EC Partnership Agreement.

Article 5

The Commission is requested to take the measures necessary to give effect to this Decision.

Article 6

This Decision shall enter into force on the date of its approval.

Done at

For the ACP-EC Council of Ministers
The President